



Diocese of Liverpool

Liverpool Diocesan Board of Finance

REPORT AND ACCOUNTS

For the year ended 31 December 2013

*Registered Charity Number 249740
Registered Company Number 18301*

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CHAIRMAN'S REPORT

Chairman's Report

I am pleased to introduce the Report of the Trustees and the Financial Accounts for the Liverpool Diocesan Board of Finance (LDBF) for the year ending 31 December 2013.

Firstly I would like to pay tribute to the work of Mike Eastwood and his team at St James House for their efforts in 2013. Working closely with the Core Group they have driven the implementation of the final year of the Bishop's Growth Agenda and importantly created and gained approval by Synod of the follow on Strategy "Growing in Christ". This document embodies all the key work streams and builds from the earlier work. It also adds in new initiatives reflecting how the Diocese has developed its thinking and priorities. A common theme to both plans is the centrality of growth and the achievement of financial sustainability into the long term. This includes a vision for breakeven budgets, something we have not achieved to date.

2013 has been a year of mixed results. On the positive side we are now seen by the national church as a growing Diocese; our reworked investment fund policy more than delivered in 2013, and encouragingly our Parish Share collection rate was the highest for over a decade – all areas for which we can be proud. On the negative side having set an ambitious breakeven budget for 2013 we achieved a loss in the management accounts of £298,000. An overspend on clergy stipends (due to higher than budget numbers of clergy in post), failure to achieve 100% Parish Share collection and housing development spend being the key factors. Page 10 of the report goes into more detail. The Income and Expenditure Account on page 17 notes that the net movement of funds for the year was down £709,857 and page 10 notes the key other factors driving this number.

Our medium term aim (2015) is to bring both the operating and capital elements of the diocesan accounts into neutrality and work is ongoing to put in place new initiatives to drive this change. When that is achieved deaneries and parishes will have a more secure base to develop their mission and ministry. I look forward to working with all members of the LDBF in the coming period and would like to take this opportunity to thank them for all their support in 2013.

David Greensmith
22nd May 2014

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

I. REFERENCE AND ADMINISTRATIVE DETAILS

Legal structure

Liverpool Diocesan Board of Finance is a multi-faceted structure. It is:

- ◆ A registered charity (no. 249740)
- ◆ A company limited by guarantee (no. 18301)
- ◆ A Board of Finance established under the Diocesan Boards of Finance Measure 1925
- ◆ A trust corporation.

Its registered office is St James' House, 20 St James Road, Liverpool LI 7BY.

The governing body of the diocese is the Diocesan Synod whose members are also members of the Diocesan Board of Finance.

Although the work of the Finance Committee is the sole responsibility of those elected to serve on it, all its business is conducted under the authority of the Diocesan Bishop who presides over all the affairs of the diocese.

Trustees

The financial executive of the Diocesan Synod is the Finance Committee. The members of the Finance Committee are the directors of the company and trustees of the charity. Through a combination of elected, ex officio and co-opted posts our constitution enables us to achieve an appropriate balance between clergy and lay people.

Elections to the Finance Committee take place every three years. There were elections in November 2012 for the current Finance Committee which runs from 1 January 2013 to 31 December 2015. The trustees who served in 2013 were:

David Greensmith, Chair (ex-officio)
David Burgess, Deputy Chair (elected)
Bishop of Warrington (ex-officio)
Archdeacon of Liverpool (ex-officio)
Archdeacon of Warrington (ex-officio)
Rev Cynthia Dowdle (elected 1 January 2013)
Rev Chris Jones (elected)
Rev Mark Stanford (elected 1 January 2013)
Pam Denton (elected 1 January 2013)
Peter Owen (elected)
Michael Pitts (elected)
Mark Stafford (elected)
Jim Taylor (elected)
Cyril Barratt (Treasurer – co-opted by the Committee)

Senior staff

The Chief Officer for the charity is the Diocesan Secretary, Mike Eastwood. The senior management team, to whom day to day management of the charity is delegated by the trustees, are:

Mike Eastwood, Diocesan Secretary
Matt Elliott, Finance Manager
Stuart Haynes, Director of Communications
Linda Jones, Director of Church Growth
Steve Pierce, Director of Learning & Stewardship
Jon Richardson, Director of Education
Ultan Russell, Director of Church & Society

Bankers and professional advisers

Auditors

BWMacfarlane LLP, Castle Chambers, 43 Castle Street, Liverpool, L2 9SH

Bankers

Lloyds Bank plc, Merchants Court, 2-12 Lord Street, Liverpool L2 ITS

Investment managers

CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

Diocesan Registrar

Howard Dellar of Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London SW1P 3JT

Solicitors

Hill Dickinson LLP, No. 1 St Paul's Square, Liverpool L3 9SJ

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and objects

The structure governing the work of the charity is complex reflecting the idiosyncrasies of the Church of England. On the one hand the charity is fairly straightforwardly registered as a charity and a company with appropriate memorandum and articles of association (last modified in March 2010). On the other hand there are a number of inter-connected relationships and influences directly impacting on the work of the charity (see below).

Trustees

The Finance Committee is the trustee board. It has a mixture of ex-officio, elected and co-opted members. Elections take place every three years at the first meeting of the new diocesan synod (itself elected every three years). The trustees have the power to co-opt members according to their assessment of possible imbalances or skills gaps among the elected and co-opted members. Given the relatively large number of elected and ex-officio trustees the general approach has been to keep co-options to a minimum.

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All trustees receive an induction pack and the first meeting of each triennium is largely given over to induction briefings and discussions. Training opportunities are offered, especially around investment issues.

Organisational structure and decision-making

The Finance Committee is the financial executive of the Diocesan Synod and is required to comply with certain directions given to it by that Synod. It holds the budgets and accounts for all committees of the DBF and all activities undertaken by DBF staff and officers. It also needs to work very closely with Bishop's Council as Diocesan Synod made Bishop's Council responsible for the delivery of the diocesan strategy. This requires an understanding of the aims and aspirations of those bodies and a desire to see them fulfilled alongside a deep regard for the need for good and appropriate governance of the charity. In recent years there hasn't been a particular conflict between these bodies, nor is one anticipated; however, the potential is always there.

The Finance Committee functions as the Parsonages Board of the diocese for purposes of parsonages legislation, although it delegates the oversight of DBF housing management to the Clergy Housing Committee. It has subcommittees dealing with audit, remuneration of DBF staff, and the management of the DBF property and investments.

The Diocesan Board of Education is integrated into the Diocesan Board of Finance both legally (it is not separately constituted) and practically (the Diocesan Director of Education is a full and participating member of the senior management team). This helps organisational cohesiveness and inter-departmental working.

Trustees are fully aware of their responsibilities under charity law. Within this the day-to-day running of the charity is delegated to senior staff. However, trustees and senior staff are clear that all decisions on policy that may create significant financial or other risk to the company or which affect material issues of principle must be taken by trustees and not staff.

Networks and key relationships

The charity has a multiplicity of relationships. The main ones are with:

- ◆ Diocesan Synod as the Board of Finance and governing body of the diocese
- ◆ Bishop's Council as the executive arm of Diocesan Synod
- ◆ The Bishop's Core Group, where decisions are taken about the deployment of clergy
- ◆ Other diocesan committees, especially the Diocesan Mission & Pastoral Committee, Lifelong Learning Committee and Board of Education
- ◆ Deanery Synods and Deanery Mission & Pastoral Committees, where local mission plans are decided and their pastoral implications worked through
- ◆ Parishes within the diocese with whom we are intimately connected both in supporting local mission and ministry and in financing the Diocesan Board of Finance
- ◆ Church schools in the diocese to whom we offer support and guidance over a range of appointment, curriculum, governance and building matters
- ◆ Liverpool Cathedral, on whose campus we are now located and with whom there is now an established pattern of close collaborative working
- ◆ Other dioceses, especially in the North West of England, with whom we have close collaborations and provide services, especially to schools
- ◆ The national church institutions (Archbishops' Council, Church Commissioners and the Pensions Board) from whom we receive significant funding, policy directives and legal consents to transactions.

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- ◆ Other Christian denominations with and through whom we work on matters of workplace chaplaincy, child safeguarding and ecumenical relations notably through Churches Together in the Merseyside Region and Mission in the Economy
- ◆ Interfaith bodies, such as Merseyside Council of Faiths and Liverpool Community Spirit, as part of our cross community work to promote good interfaith relations
- ◆ Key infrastructural bodies on Greater Merseyside (notably volunteer centres and councils for voluntary service) on which we represent ecumenical partners and lead on provision in rural areas. We have also been actively involved in ChangeUp, the pan Merseyside body, where we represent Churches Together in the Merseyside Region and feed back issues from faith networks to other members, notably councils for voluntary service
- ◆ Liverpool Diocesan Council for Social Aid, professionally advised by Church & Society, whose key roles are running Adelaide House Women's Bail Hostel and working on penal affairs and social inclusion

As at 31 December 2013 there were no subsidiary trading companies to the DBF. DBE Services Ltd continued trading, as did All Saints Centre for Mission & Ministry. DBE Services Ltd is an inter-diocesan company for the dioceses of Liverpool, Blackburn, Carlisle, Chester, Manchester and York, providing property and other services to schools. All Saints Centre for Mission & Ministry is an inter-diocesan company for the dioceses of Liverpool, Manchester and Chester established to provide local training for clergy and readers. In 2013 we also established a new partnership with St Mellitus (see section 4 below) and a new joint venture with the Church Urban Fund entitled Together Liverpool which seeks to support and resource parishes as they seek to serve their wider community. The Liverpool Diocesan Educational Trust was established in 2012 to enhance links with Church Academies.

The single most important relationship we have continues to be with the clergy and lay people within the churches in our diocese whose ministry is the heartbeat of the diocese. We currently have around 215 serving parish and cathedral-based stipendiary clergy, around 60 non stipendiary and ordained local clergy, c. 300 readers and over 100 active retired clergy. We have c. 20 clergy serving full-time as chaplains in schools, hospitals, universities and prisons plus others serving in a part-time capacity. We also have an active committed church membership of c. 50,000.

Public benefit

The trustees are aware of the Charity Commission's guidance on public benefit in The Advancement of Religion for the Public Benefit and have had regard to it in their administration of the Board. We believe that by promoting the work of the Church of England in the Diocese of Liverpool we help to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that this provides a benefit to the public by:

- ◆ Providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for our 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.

More information on these benefits follows throughout this report.

3. OBJECTIVES AND ACTIVITIES

The principal object of the charity is to further the interests of the Church of England, mainly, but not exclusively, in the area covered by the Diocese of Liverpool. The strategic thrust of the current work is laid out in our strategic plan entitled *Growing in Christ*. Our aims can be summarised as follows:

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- (i) Take forward the spiritual and numerical growth of the Church of England – including the growth of its capacity to serve the whole community of the country;
- (ii) Re-shape or re-imagine the Church's ministry for the century coming, so as to make sure that there is a growing and sustainable Christian witness in every local community;
- (iii) Focus resources where there is both greatest need and greatest opportunity.

The Finance Committee is aware that a diocese succeeds through the mission and ministry of its parishes and its bishops. Through striving for the highest standards of financial management, the Finance Committee aims to create the conditions in which their mission and ministry can flourish and be maximised.

It interprets its role broadly, contributing to the strategic leadership of the diocese, balancing careful stewardship with a flexible and proactive approach, a body that enables, not inhibits. It sees itself as a servant of Synod and Bishop's Council, believing the responsibility of Bishop's Council to be strategic governance and the responsibility of the Finance Committee to be financial governance.

The Finance Committee is working towards the following organisational outcomes:

1. A sustainable financial resource to support agreed mission and ministry in the Diocese of Liverpool
2. A talented and high performing team at St James' House serving the mission and ministries of the parishes and bishops and delivering on the aspirations of the Bishop's Growth Agenda
3. A well-run charity which meets the highest standards in governance, management and operational efficiency.

Our main activities can be summarised as:

- ◆ The development and implementation of mission and church growth strategies
- ◆ The provision of advisory services to bishops, parishes, schools and church bodies (mainly through employed staff)
- ◆ The support, training, payment and housing of clergy
- ◆ The support and training of lay people
- ◆ The management and development of staff members
- ◆ Contributing to the national work of the Church of England

For more detail on individual activities see section 4, "Achievements and performance". For information on our strategic thinking into the future please see section 6, "Future plans".

Grant-making policy

No political contributions were paid during the year. Charitable contributions have been made as part of the Board's objectives. The main grants are as follows:

Churches Together in the Merseyside Region – £13,806 as part of our ongoing commitment to ecumenical work.

Mission in the Economy – £38,985 to support mission and chaplaincy in the world of work.

We have an Ecumenical Funding Group to look at how best we work with and through our ecumenical partners. This group reports annually to Bishop's Council.

We also help parishes in the most deprived areas of the diocese and gave £20,215 in Designated Priority Area grants.

Volunteers

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The diocese continues, quite rightly, to be dependent on the huge number of people involved in church activities both locally and at diocesan level. Surveys suggest that faith communities in general and Anglican churches in particular are major contributors to their community through an enormous number of voluntary activities. This is one of the surest signs that our faith makes a difference to our lives and our outlook; we ignore and neglect this at our absolute peril.

We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through this church managed volunteering also has a significant impact, for example, on people's approaching the church at times of crisis, for baptisms, funerals and the other aspects of church life and community engagement.

Within all of this the DBF greatly values the considerable time given by all the committee members across the diocese in pursuit of the diocese's mission and growth agenda.

4. STRATEGIC REPORT

I. ACHIEVEMENTS AND PERFORMANCE

By definition much of our work continues year on year. We took a particular view in 2002 that we should set new initiatives in train and stick with them, believing that they would take time to come to fruition. We are determined to follow these initiatives through until either they achieve their stated goals or until it becomes clear that they will not or cannot. Much of this was captured in our operational plan *Growing in Christ* which takes the growth agenda forward.

Growing in Christ identified 3 'burning platform' issues of ageing money, retiring clergy and broken buildings. We are developing clear strategies to help parishes address each of these challenges.

Overall we have seen a significant turnaround in terms of the Dioceses' mission and financial health, as measured by the national church. We are one of 7 dioceses (out of 42) that are growing numerically; we are one of just 3 dioceses which have both grown numerically and strengthened financially over the past 5 years. We believe that this is strong evidence of support for the work of the past 10 years, and in particular the work undertaken through the growth agenda.

We continue to press ahead on both mission and financial health. For example we have got through the first stage assessment for a significant national church grant towards a £1.2 million Transforming Wigan programme which, if successful, will have significant missional and financial benefits, not just in Wigan, but throughout the diocese.

We produce an annual statistical report to Diocesan Synod, based on a 'dashboard' of key data. This dashboard in particular seeks to establish the extent to which we are growing the giving base of committed individual givers to their local church. That giving base will underpin our future financial health and determine our decision-making freedom.

We undertake a biennial clergy survey. The 2013 survey produced generally strong results, although issues of clergy stress remain a significant concern.

We continue to increase the number of licensed ministers available for deployment. Following the implementation of our new vocations strategy, we now have more people exploring vocations than for many years. Our constructive engagement with both the All Saints Centre for Mission & Ministry and St Mellitus in the North West have been key to this, as has the establishment of our Directions course.

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We are beginning to be able to roll out our major initiative on Local Missional Leadership. This will take time to implement fully but we expect to have our first group of authorised Local Leaders by the end of 2014. We think that if we can get this right it will be transformational.

We remain at the leading edge of safeguarding both children and vulnerable adults. Our continuing work on the Child Friendly Church Award, our on-going training and development work on safeguarding issues and the wider work of our Disability Action Group all come together to demonstrate a serious and sustained commitment to excellence in this area. In 2013 we launched the Disability Friendly Church Award, the first of its kind in the country.

Our Parish Share collection rate remains high, although it is the single biggest area of concern for the Diocesan Board of Finance. By October 2011 our collection rate had fallen to close to 95% from recent regular highs of 98.8%. We took a paper to Diocesan Synod called Reversing the Payment Trend which proposed a range of measures designed to improve collection rate. By the end of 2011 the collection rate had recovered to 97.9% and it climbed further in 2012 to 98.4%. In 2013 it was a remarkable 99.5%.

However, as reported last year, there are signs of clear financial strain. Parish Share is becoming a higher percentage of the regular giving received from church members, leaving less money available to parishes for local mission purposes. In view of this Diocesan Synod established a Parish Share Review Group to report back in September 2014 on Parish Share options into the future.

In 2013, we launched our re-vamped Giving in Grace website which helps parishes continue to face the giving challenge head on. It remains the best resource available to the church and helps address the core issue of ageing money in an open and straightforward way.

The fact that our Parish Share collection rates have remained this high is a tribute to the generosity and commitment to mutual support of parishes throughout our diocese.

Levels of church attendance remain a concern, despite the improvement noted above. The average age of our congregations is significantly higher than the average age of the general population. We now track and publish attendance on a parish by parish basis. It is a key focus of discussion at the newly constituted Archdeacon's Parish Review meetings. We are now into our second 2-year cycle of the Growth Planning Framework, a core tool in helping each parish understand the particular steps it needs to take to grow spiritually and numerically in order to serve the wider community.

We continue to maintain our 'market share' of children attending schools with c. 30,000 children in Church of England schools. Nearly 85% of our schools are currently rated good or outstanding by Ofsted. We have set an ambitious target to increase this to 90%. We have taken a clear position on the academies agenda as we seek to implement the recommendations of the *Building on Firm Foundations* review endorsed by Synod in 2012.

All of the above and much more took place under the inspirational leadership of Bishop James Jones who retired in the summer. We are hugely indebted to him for his years of outstanding service to the Diocese, the city region and far beyond. The Diocese has been transformed during his tenure. We wish him and Sarah a much deserved long, happy, and fulfilled retirement.

Access and inclusion

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The DBF's commitment to access and inclusion has continued through the work on Disability Awareness (see above). Our policy on safeguarding vulnerable adults continues to be widely used in many other areas.

Information gathering

We now have an excellent database of information that we use to publish annual diocesan and parish dashboards. We reintroduced the now biennial Clergy Survey in 2013. Information gathering and publication is fast becoming a key strength.

Asset management

Investments

2013 was a good year for our equity investments, with UK and international markets continuing to recover from significant losses. Our cash management is still dominated by the re-working of our housing stock. 2013 was a difficult year in terms of property sales. We achieved a number of operationally beneficial housing sales but were unable to replicate the associated gains seen in 2011 and 2012.

We continue to monitor closely our cash and broader reserve levels and think and plan on the basis of the medium rather than the short term investments. For the first time in over five years we realised a portion of our investment reserves to improve our cash position. Investments policy aims for a balance of capital growth and income and this sale accelerated a rebalancing of our portfolio towards our investment policy objectives. We have not deemed it necessary or advantageous to change our investment policies.

In summary our CCLA investments achieved an unrealised gain of £326,733 and we realised a further gain of £74,523 on the sale of a portion of our portfolio.

Property

We hold a lot of property (valued at £48 million). Much of this in practice takes the form of notional assets; because we have a responsibility to house clergy we have little operational freedom around disposal or re-working of the individual assets. Rather, our primary responsibility is to ensure that clergy and their families feel safe and comfortable in their homes and that it provides a suitable base for mission and ministry.

The trustees are of the opinion that the market value of land and buildings exceeds their carrying value by an amount which cannot be ascertained without a disproportionate cost in determining the information.

2013 saw some changes in our property portfolio. Five properties were sold for a total value of £930,191. These were previously valued in the balance sheet at a total of £1,098,829 and so resulted in losses of £168,638. Three properties were bought in the year for a total of £643,445. A further £416,511 was spent on significant development of new and recently purchased houses.

Our property development work on three former vicarages has met with good success. We have secured extremely good tenancies in both vicarages and the occupancy levels of the flats in the other vicarage are good.

In early 2008 Church House was sold on advantageous terms under a 125-year lease. We anticipate the real benefits of this sale will accrue after the initial rent review in 2013.

II. FINANCIAL REVIEW

2013 was a mixed year financially. We set the first in an ongoing pattern of breakeven budgets with a 2.2% increase in Parish Share, despite inflation running at significantly higher than that for most of the year.

Performance against budget

Each year we present a budget to Synod, which summarises our financial thinking and – once approved – sets the framework for our financial decision-making. The 2013 budget was at breakeven – the first breakeven budget we have set for over a decade.

Our management accounts deficit was £298,000 (slightly worse than the £250,000 loss on the previous year). The main adverse variances were:

£309,000 overspend on missional leadership (mainly clergy stipends)

£37,000 shortfall in Parish Share collection (the highest collection rate in well over a decade)

£27,000 overspend on housing maintenance and clergy moves

£25,000 overspend across the St James House budget, the main factor being the reduction in income from DBE Services

The main positive variances centred on parochial fees (£96,000 better than budget), which is partly a reflection of the Archdeacon's initiative on reclaiming bereavement ministry.

The missional leadership overspend includes nearly £65,000 in money released to deaneries for mission & growth fund purposes. The remainder is equivalent to just over 6 more clergy posts in post than budgeted – a combination of a lower level of parochial vacancy than usual and a difficulty in following through on the planned number of reductions in posts.

As flagged up in the 2012 review it will take until 2015 for us to get to actual breakeven as well as budgeted breakeven. We remain confident that we will achieve this.

Annual accounts

The Statement of Financial Activities on page 17 shows a net reduction in funds for the year of £709,857 (as against a net reduction in 2012 of £258,635). This is because in addition to the operating loss of £298,000 referred to above there was:

- ◆ £250,000 of expenditure relating to a restricted grant received in a prior year
- ◆ £234,000 of additional property-related expenditure. This reflects:
 - On-going expenditure to upgrade the value of our housing stock which is met from capital rather than revenue income;
 - Additional capital works associated with making newly purchased housing fit for clergy purposes;
 - Costs incurred in taking assets to market.
- ◆ £169,000 in losses on the sale of property
- ◆ £95,000 in property grants to parishes
- ◆ £38,000 relating to designated funds and other mission projects
- ◆ £36,000 of additional expenditure on capital projects at church schools
- ◆ £29,000 of expenditure on redundant churches
- ◆ £68,000 in other year-end adjustments and minor expenditure
- ◆ £106,000 in gains on the revaluation of property
- ◆ £401,000 of gains on the value of investments

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Despite the negative variances in the year we believe that our overall financial management is good. We are continuing to develop income streams, have kept central costs under control and maintain a very impressive level of Parish Share collection. With the structural changes implemented in the 2013 budget there are strong reasons to remain optimistic about the financial future.

Reserves

The reserves policy of the Finance Committee is formulated in line with recommendations of the Charity Commission of England and Wales. The basic policy statement is as follows:

The DBF aims to maintain the equivalent of at least four months' operating expenditure in cash and equities in the General Fund. This excludes all designated funds, loans and loan guarantees. This policy is to be reviewed annually in the January Finance Committee meeting.

Early in 2011 this policy was revised and we now aim to hold a minimum of three months' operating expenditure in cash and equities in the General Fund. Over the course of 2013 the paper value of investments generally stayed above 4.0 months. However we sold £900k of equity investments to fund agreed property purchases (ahead of planned property sales) so our reserves fell to 3.4 months by the end of the year.

In the 2008 report we said:

We live in extraordinary times and the paper value of our investments has fallen significantly over the year. The trustees are seeking to take a balanced view of the current climate. We neither want to be complacent nor to overreact. Our primary focus at the moment is on the management of cash sufficient to meet our routine expenditure and necessary developments needs. As long as we are confident that we can achieve this cash flow then we are more content to give our equity investments time to recover their paper value rather than significantly cutting revenue costs.

We held to this position over the year and remain confident that it was the right thing to do.

The unrestricted reserve stands at £6m (when Designated Funds of £153k are taken into account). £2.4m representing 3 months' operating expenditure, is retained as a general reserve to allow for any unexpected rises in expenditure or shortfall in income. The trustees believe that retaining reserves at the current level will cushion the diocese from short-term revenue problems and will enable them to meet their legal requirements in case of serious financial problems.

Designated reserves amount to £153k and are to be used for the Warrington Mission Development Fund.

Investments

The Investments Committee receive quarterly reports on investment performance. These reports are scrutinised and decisions taken accordingly. The investment managers also attend at least one meeting a year to report more fully on investment policy and review performance.

The Memorandum of Association gives the trustees power to invest in any investment authorised by law in investment of trust funds. The trustees confirm that all investments have been acquired in accordance with their powers, and that they have followed the ethical investment policy used by the central Church of England bodies.

Our historic Glebe land portfolio is substantially managed by Fisher German.

Housing

The housing is expressed on the balance sheet on the basis of the 2003 insurance values of each house, apart from those houses where significant development activity has taken place or which have been acquired subsequent to 2003.

Grants received

Our main source of income is Parish Share. We also receive an allocation from Archbishops' Council. These issues are discussed elsewhere in this report. We continue to be very grateful for the support of Marshall's Charity in the improvement of our housing stock.

III. FUTURE PLANS

We continue to work under our new strategic plan *Growing in Christ*. This covers the period 2014 – 16. As Bishop Richard says in the introduction:

The Diocese of Liverpool is at a crossroads; maybe the Diocese of Liverpool is always at a crossroads. Either way we are entering a critical period where we have to tackle the threefold problem of ageing money, retiring clergy and broken buildings. We enter this period in good heart – we are once again a growing diocese with a breakeven budget – but our growth has to continue, indeed accelerate, and it has to be for a purpose. Our growth must put down deep roots into spiritual life, must enable us to serve our wider community, stay faithful to the tough areas and present a thriving church to future generations.

In March 2011 Diocesan Synod endorsed the strategy document Supporting the Bishop's Growth Agenda. It brought together thoughts and plans as to how as a diocese we could own and respond to the central challenge of growth. The document was agreed unanimously and has formed the basis for much of what has happened over the past two and a half years.

This new document Growing in Christ aims to take forward the growth agenda over the next three years. It consolidates the work already started and incorporates some of the more recent developments around local leadership and vocations. It retains that sense of focus, that urgency that we must have to maintain if not increase momentum. Indeed, if we try to stand still it will simply result in us losing ground and, in effect, go backwards.

We are determined to press ahead, awaiting eagerly the arrival of our new diocesan bishop to lead us into the next stage of our life and development.

IV. PRINCIPAL RISKS AND UNCERTAINTIES

In addition to the financial and other risks outlined below, there are various key areas of activity where the diocese could incur financial penalties, operational failings or reputational damage. The trustees undertake an annual risk analysis exercise. The Audit Committee is the lead body in this. The analysis continues to highlight a number of risks which could impact seriously on the charity's operation and development. These range from the impact of potential parish indebtedness through to ever increasing pressures on clergy pensions; from exposure to interest rate fluctuations on borrowings to liquidity risk, from the inability of key personnel to cope with the demands of change, through to initiative overload; from the threat of increased litigation to the failure to attract enough clergy to maintain ministry. The Finance Committee oversees the implementation of the recommendations arising out of this risk analysis. Liquidity risk is managed by ensuring sufficient liquidity to meet foreseeable needs, with an overdraft facility providing short-term flexibility and longer-term loans supporting asset acquisition.

5. FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Board is Custodian Trustee for trust assets with a market value of £10m at 31 December 2013. Detailed Certificates of Holdings were sent to parishes and other managing trustees as at December 2013. Most of these trusts are held on

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behalf of parishes whose charitable purpose is the advancement of religion and therefore is parallel to those of the Diocese. The funds are held in separate investments from those of the DBF and there is a separate bank account from which payments are made. We also hold a number of parish properties as Custodian Trustee, but we are unable to obtain a current valuation of these properties due to the complexity and substantial costs involved.

The Board also holds funds for the Liverpool Diocesan Pensions Fund and a number of historic trusts under the practical management of the bishops and archdeacons which give financial support to clergy and their families in need in the Diocese of Liverpool.

Further funds are held on behalf of Church of England Schools in the Diocese for the government's Devolved Formula Capital funding. At the 31 December 2013, these funds had a market value of £1.3m (2012 - £1.3m).

6. NOTES AND QUERIES

There are a number of declarations and explanations that also need to be included in the annual report. These are as follows:

Significant changes in fixed assets

These are now explained in notes 15 and 16 to the financial statements.

Related party transactions

The diocese is a complex entity with a series of potentially overlapping structures. These can give rise to conflicts of interest. For example, many board members are also active in their local church, either as priests or lay members, and there may well be issues discussed at board level which impact on their own church. There are also specific instances, such as an application for a diocesan loan, where the parish can directly benefit. The board is always conscious of such potential conflicts and the need for board members to act appropriately. Indeed, each Finance Committee meeting has a formal declaration of interest to highlight potential conflicts, and individual members have left the room during certain discussions to ensure freedom of debate.

In 2008 a loan of £25k was issued to the All Saints Centre for Mission and Ministry, a related party, and a further loan of £25k was issued in 2009. As at 31 December 2013 £32.5k due to the Diocese. This balance is included within the figure of £173,474 for parish and other loans at note 18 on page 33.

Post Balance Sheet Events

There are no significant events occurring between 31 December 2013 and the date of signing the report which have significantly affected the charity.

Fundraising

There have been no significant fundraising activities at diocesan level in 2013.

Insurance

We continue to arrange our insurance with Ecclesiastical Insurance Group. The policies are subject to regular review.

Trustees' interest in shares

TRUSTEES' ANNUAL REPORT

The board is a company limited by guarantee (company number 18301) and trustees, as members, may derive no benefit, income or capital interest in the board's financial affairs, other than the reimbursement of out-of-pocket expenses. No expenses were paid to Trustees' during the year.

Taxation status

The Board is a registered charity (charity number 249740) and, as such, is not liable to Income Tax or Corporation Tax on its charitable activities.

Contingent liability

There were no contingent liabilities on the Board at the end of the year.

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Liverpool Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' 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 also 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees also confirm that, as far as they are aware, there is no relevant audit information of which the charity's auditors are unaware and they have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Finance Committee

Mike Eastwood
Diocesan Secretary
22 May 2014

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LIVERPOOL DIOCESAN BOARD OF FINANCE

We have audited the financial statements of the Liverpool Diocesan Board of Finance for the year ended 31 December 2013, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. 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).

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement (set out on pages 14), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the chairman's report and the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 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 requirements of the Companies Act 2006.

AUDITORS' REPORT

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Trustees' Annual 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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lesley Malkin BA F.C.A.

Senior Statutory Auditor

For and on behalf of BWMacfarlane LLP, Chartered Accountants

Statutory Auditor

Castle Chambers

43 Castle Street

Liverpool

L2 9SH

22 May 2014

STATEMENT OF FINANCIAL ACTIVITIES

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDING 31 DECEMBER 2013**

	Note	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Endowment Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary Income:						
Parish Share	2	6,769,279	-	-	6,769,279	6,666,698
National Church Institutions	3	1,730,801	-	-	1,730,801	1,712,332
Grants Received	4	886,621	330,976	-	1,217,597	943,436
Investment income	6	533,004	19,310	-	552,314	501,617
Incoming resources from charitable activities	5	415,646	23,915	-	439,561	402,946
Other incoming resources	7	156,000	101,265	-	257,265	386,252
TOTAL INCOMING RESOURCES		10,491,351	475,466	-	10,966,817	10,613,281
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income						
Investment management costs	8	-	2,666	-	2,666	2,671
Charitable activities						
National Church responsibilities	9	247,783	-	-	247,783	294,519
Ministry in parishes	10	7,520,312	1,104,881	234,126	8,859,319	8,449,499
Support for mission & ministry in parishes	11	1,807,138	137,490	-	1,944,628	1,757,972
Education	12	486,995	285,888	-	772,883	494,436
Governance costs	13	150,585	-	-	150,585	137,991
Other outgoing resources	14	-	37,871	168,638	206,509	12,911
TOTAL RESOURCES EXPENDED		10,212,813	1,568,796	402,764	12,184,373	11,149,999
Net (Outgoing) / Incoming Resources before transfers		278,538	(1,093,330)	(402,764)	(1,217,556)	(536,718)
Realised gain on investment assets					-	22,013
Gross transfers between funds	28	2,422,200	(2,381,980)	(40,220)	-	-
Net (Outgoing) / Incoming Resources before other recognised gains and losses	21	2,700,738	(3,475,310)	(442,984)	(1,217,556)	(514,705)
Other recognised gains/losses						
Gain / (Loss) on investment assets	16	225,255	100,878	75,123	401,256	256,070
Gain on revaluation of fixed assets for the charity's own use	15	-	30,444	75,999	106,443	-
NET MOVEMENT IN FUNDS FOR THE YEAR		2,925,993	(3,343,988)	(291,862)	(709,857)	(258,635)
Balance brought forward 1 January 2013		3,040,370	12,034,376	36,828,890	51,903,636	52,162,271
Balance carried forward 31 December 2013		5,966,363	8,690,388	36,537,028	51,193,779	51,903,636

All of the results for both accounting periods relate to continuing activities. None of the Charity's activities were acquired or discontinued in either financial period.

BALANCE SHEET

LIVERPOOL DIOCESAN BOARD OF FINANCE

(A company limited by guarantee and not having share capital)

**BALANCE SHEET
AT 31 DECEMBER 2013**

	Notes	2013		2012	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	15		44,280,415		44,473,405
Investments	16		7,876,564		8,126,660
Loans	17		120,000		120,000
			<u>52,276,979</u>		<u>52,720,065</u>
Current Assets					
Debtors	18				
falling due within one year		984,419		1,491,421	
falling due after more than one year		482,810		104,505	
Bank and Cash		-		1,041,054	
		<u>1,467,229</u>		<u>2,636,980</u>	
Creditors:					
Amounts falling due within one year	19	(1,197,129)		(2,450,109)	
Net current assets			270,100		186,871
Total assets less current liabilities			<u>52,547,079</u>		<u>52,906,936</u>
Creditors:					
Amounts falling due after more than one year	20		(1,353,300)		(1,003,300)
Net Assets			<u>51,193,779</u>		<u>51,903,636</u>
Accumulated Funds					
Endowment funds	28		36,537,028		36,828,890
Restricted funds			8,690,388		12,034,376
Unrestricted funds			5,966,363		3,040,370
			<u>51,193,779</u>		<u>51,903,636</u>

The financial statements on pages 18 to 40 were approved by the Finance Committee on 22 May 2014 and signed on its behalf by:

Mr David Greensmith
Chairman

Mr David Burgess
Vice Chairman

RECOGNISED GAINS AND LOSSES

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	£	£
Net expenditure for the financial year	(1,217,556)	(514,705)
Unrealised gain / (loss) on revaluation of assets	507,699	256,070
	—————	—————
Total losses recognised since last financial statements	(709,857)	(258,635)
	—————	—————

CASH FLOW STATEMENT

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
Net Cash Flow from Operating Activities	i		(3,143,598)		(1,060,524)
Returns on Investments and Servicing of Finance					
Investment income		552,314		501,617	
Interest on bank loans and overdrafts		(11,919)		(8,525)	
			540,395		493,092
Capital Expenditure and Financial Investment					
Sale of tangible fixed assets and loan redemption		930,191		979,934	
Sale of fixed asset investments		2,545,028			
Purchase of tangible fixed assets		(1,076,630)		(739,025)	
Purchase of fixed asset investments		(1,633,331)			
			765,258		240,909
Financing					
Loan from CCLA		350,000		650,000	
Loans repaid to CBF		(400)		(400)	
Loans from Church Commissioners		400		200	
			350,000		649,800
Net Change in cash and cash equivalents			(1,487,945)		323,277
Cash and cash equivalents brought forward			1,041,054		717,777
Cash and cash equivalents carried forward			(446,891)		1,041,054

CASH FLOW STATEMENT

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

i, Reconciliation of income and expenditure to net cash outflow from operating activities

	2013	2012
	£	£
Net outgoing resources before other recognised gains and losses	(1,217,556)	(514,705)
Depreciation	16,889	13,523
Investment income	(552,314)	(501,617)
Interest on bank loans and overdrafts	11,919	8,525
(Gains) / Losses on disposal of property	168,638	(227,914)
Realised gain on investment assets	-	(22,013)
(Increase) / Decrease in debtors	128,697	(410,553)
(Decrease) / Increase in creditors	(1,699,871)	594,231
Net cash flow from Operating Activities	<u>(3,143,598)</u>	<u>(1,060,523)</u>

ii, Analysis of net funds

	1 January 2013	Cash flow	Other non 31 December cash changes	2013
	£	£	£	£
Net Cash:-				
Cash at bank and in hand	1,041,054	(1,041,054)	-	-
Bank Overdrafts	-	(446,891)	-	(446,891)
	<u>1,041,054</u>	<u>(1,487,945)</u>	<u>-</u>	<u>(446,891)</u>

ii, Reconciliation of net cash flow to movement in net funds

	2013	2012
	£	£
Increase (decrease) in cash	(1,487,945)	323,277
Opening net funds	1,041,054	717,777
Closing net funds	<u>(446,891)</u>	<u>1,041,054</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

I. (a) Accounting policies

The Company has taken advantage of adapting its own arrangements of the headings and subheadings of its financial statements due to the special nature of its business in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with applicable accounting standards; the Statement of Recommended Practice "Accounting by Charities" (the "SORP") issued in March 2005, except that freehold properties are not depreciated as set out below (see note k). Note is also taken of the Diocesan Accounts Guide issued August 2006.

A summary of the more important accounting policies, which have been consistently applied, is set out below.

(b) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

(c) Incoming resources

The principal source of income comes from voluntary giving in the form of parish share. Income is accounted for when receivable, where receipts are reasonably certain and the amounts receivable can be quantified. It is stated net of discounts and provisions and write offs of irrecoverable arrears.

(d) Donations and legacies

All legacies to which the Diocese has been notified of its legal entitlement are included in the Statement of Financial Activities unless incapable of financial measurement. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised as incoming resources when receivable. All such income is brought into account at either the amount actually realised, or a reasonable estimate of their value.

(e) Grants payable and receivable

Grants received for restricted purposes are accounted for as restricted funds. They are not recognised until the conditions for receipt have been complied with. Grants restricted to future accounting periods are deferred and recognised in future accounting periods. Grants payable are recognised as a liability when the obligation arises to make a transfer of value to a third party.

Grants payable to National Church institutions are shown in note 9 and grants payable to support work in the parishes in the diocese are shown in notes 10 and 11.

(f) Resources expended

Expenditure is recognised on an accruals basis as a liability when incurred and has been classified under the following categories:

- ◆ Costs of generating funds comprise the costs associated with the generation of income for the charity and include investment manager's costs
- ◆ Charitable Expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

NOTES TO THE ACCOUNTS

- ◆ Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.
- ◆ All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of that resource. Indirect costs, such as DBF Central Costs and St James' House costs are allocated to the cost that they support in proportion to the time spent by St James' House staff on the relevant expenditure and as set out in notes 10 – 13.

(g) **Investment assets and income arising**

The Board of Finance holds investments for itself and on behalf of parishes and other charities. Investments and their associated income are only recognised where the Board is investment custodian, investment manager and the beneficiary.

Investments are shown at market value, or at the trustees' best estimate of such.

Investment properties are included in the balance sheet at their open market value and are not depreciated. Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the trustees compliance with the accounting standard (SSAP 19) is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

All unquoted investments are held with, and valued on the basis of information provided from CCLA.

Dividends and interest are included in the financial statements when receivable and gross of recoverable taxation.

Realised gains on investments are reinvested where appropriate. Both realised and unrealised gains are disclosed in the Statement of Financial Activities.

(h) **Major Funds**

Funds held by the charity are either:

Restricted funds – these funds consist of trust and other funds, which may only be used for specific purposes imposed by the settlor, donor or legislation.

Permanent Endowment funds – these are funds where there is no power to convert capital into income. Where the trustees have the power to convert endowments into income, these funds are known as expendable endowments.

Unrestricted funds – these are funds which may be used for general purposes without any external restriction.

Designated Funds – these are unrestricted funds that have been set aside by the Board for purposes designated by Diocesan policy. Such designations may be set aside from time to time according to policy decisions.

Details of the major funds held by the Board are given in note 28 to the Financial Statements.

NOTES TO THE ACCOUNTS

(i) Stipends

Clergy stipends and the salaries of licensed lay staff, though a diocesan responsibility, are paid through the Church Commissioners payroll. The cost of the stipends and salaries paid by the Church Commissioners on behalf of the Board are shown gross in these financial statements. However, bishops are paid entirely by the Church Commissioners and the relevant costs have been excluded from these financial statements.

(j) Staff Pensions

The Board of Finance contributes to the Church of England Funded Pension Scheme (for clergy) and the Church Workers Pension Fund for other staff. These schemes are multi employer pension schemes and it is not possible to identify the assets and liabilities of the schemes which are attributable to the Board. Therefore, in accordance with FRS 17, payments to the schemes are accounted for as for defined contribution schemes and the Board accounts for pension costs on the basis of contributions actually payable to the schemes in the year. Details of the schemes are given in note 25 to the accounts.

(k) Fixed assets

Classes of Fixtures and fittings are grouped and only those classes with a value of over £10,000 are capitalised and not expensed. Glebe and parsonage houses and other property used by the Diocese are capitalised at cost, or valuation when first capitalised or transferred to the Board. Parsonage and Glebe houses that were first capitalised during the year ended 31 December 2005 were included at an estimate of market value, based on insurance valuations made at 31 December 2003 and this valuation has not been updated.

Other Property is held in the balance sheet at cost, or valuation when the property was transferred to the Board.

Profits or losses arising on the sale of property are appropriated to the accumulated capital account, or passed to the Church Commissioners in the case of Value Linked Loan property.

Depreciation is not provided on buildings or value linked loan property as it is the charity's policy to maintain the buildings in a state of good repair, and the trustees consider that the life of the properties and their residual values are such that depreciation is not significant.

Depreciation on fixed assets is provided on a straight-line basis over five years for furniture and over three years for IT equipment.

All fixed assets are held for continuing use in the charity's activities and are therefore classified as fixed assets for charitable use.

(l) Netting off of expenses and income

All incoming resources are reported gross, as far as is possible. Income received in circumstances where a claim for repayment of tax has been or will be made, is grossed up for the tax recoverable and the gross figure included as income.

(m) Designated funds

Designated funds are used for their intended purpose. Any transfers to or from designated funds are subject to authorisation controls.

NOTES TO THE ACCOUNTS

(n) Reserves

Accumulated capital is the amount transferred from general reserve, profits less losses on sale of fixed assets and investments, legacies and gifts received for capital purposes. The general reserve is the total accumulated surplus less deficits for the Board of Finance.

Restricted funds are subject to specific conditions either imposed by the donor and binding on the Board or linked to the basis on which money was obtained. They represent unspent restricted income and/or assets to which restrictions as to their use apply.

(o) Value Linked Loans

Value linked loans from the Church Commissioners that are administered by the DBF and the corresponding equivalent value of property to which they relate are all included in the Balance Sheet as an asset and a corresponding liability, in accordance with the recommendation of the Diocesan Accounts Guide. Such parish related loans outstanding at 31 December 2013 amounted to £120,000 (2012 - £120,000). Where the property is held in trust for Parish use, the asset is included as a Loan in note 17 to the accounts and where the property is held for Diocesan purposes it is included in DBF property in note 15 to these accounts.

(p) Irrecoverable VAT

Irrecoverable VAT is grossed up and included in all relevant expenditure.

(q) Operating Leases

Rentals payable under operating leases are charged in the SOFA on a straight line basis over the lease term.

NOTES TO THE ACCOUNTS

2. Parish Share

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
General Parish Share Income	6,769,279	-	-	6,769,279	6,666,698
	<u>6,769,279</u>	<u>-</u>	<u>-</u>	<u>6,769,279</u>	<u>6,666,698</u>

3. Income from National Church Institutions

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
Church Commissioners' Allocation to Diocese	1,510,447	-	-	1,510,447	1,501,222
Parish Ministry Support Grant	193,670	-	-	193,670	185,110
Grant for Legal services	26,684	-	-	26,684	26,000
	<u>1,730,801</u>	<u>-</u>	<u>-</u>	<u>1,730,801</u>	<u>1,712,332</u>

4. Grants Received

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
Discretionary Funds Grant	141,220	-	-	141,220	141,220
DPA Strategy Income	-	22,000	-	22,000	22,000
RITC, MOF and other projects	-	219,708	-	219,708	157,507
Marshalls Charity Grants for Parsonages	-	12,790	-	12,790	14,596
Partners in Mission Income	-	436	-	436	100
Inter-Diocesan Learning Community	-	13,965	-	13,965	
Church Growth	10,746	-	-	10,746	4,580
Stipends	22,127	-	-	22,127	19,853
DBE Services Ltd	88,608	-	-	88,608	99,615
Church & Society	-	62,077	-	62,077	6,350
Assigned Fees	623,920	-	-	623,920	477,615
	<u>886,621</u>	<u>330,976</u>	<u>-</u>	<u>1,217,597</u>	<u>943,436</u>

NOTES TO THE ACCOUNTS

5. Incoming resources from charitable activities

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
Hospital Chaplaincy Income	12,000	-	-	12,000	12,000
Gift Aid Scheme	23,001	-	-	23,001	23,846
General DBF Income	78,598	-	-	78,598	59,440
Fellfield Income	8,500	-	-	8,500	5,500
Board of Education	215,559	-	-	215,559	175,746
DBE Property Income	-	-	-	-	2,891
Communications Office	20,034	-	-	20,034	20,560
Lifelong Learning	57,954	-	-	57,954	70,063
Clergy Housing Income	-	5,453	-	5,453	15,494
Church Inspection Fees	-	18,462	-	18,462	17,406
	415,646	23,915	-	439,561	402,946

6. Investment Income

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
DBF Investment Income	252,740	-	-	252,740	256,116
Church House Rental Income	75,000	-	-	75,000	75,000
Parsonages Rental Income	205,264	-	-	205,264	158,694
Glebe Rental Income	-	19,310	-	19,310	11,807
	533,004	19,310	-	552,314	501,617

7. Other incoming resources

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
DBE Property Income	-	101,265	-	101,265	158,338
Property Transactions	156,000	-	-	156,000	227,914
	156,000	101,265	-	257,265	386,252

NOTES TO THE ACCOUNTS

8. Investment Management Costs

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
Glebe Rental Management Charges	-	2,666	-	2,666	2,671
	-	2,666	-	2,666	2,671

9. National Church Responsibilities

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
Archbishops' Council	247,783	-	-	247,783	294,519
	247,783	-	-	247,783	294,519

10. Mission & Ministry in Parishes

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
Clergy stipends	4,693,715	-	-	4,693,715	4,598,645
Clergy pension contributions	1,681,278	-	-	1,681,278	1,655,601
National insurance	361,342	-	-	361,342	355,571
Resettlement/removal grants etc	184,349	-	-	184,349	195,408
Lay Workers	139,240	-	-	139,240	105,170
Administration and other costs	108,494	-	-	108,494	78,871
Area Dean Grants	35,500	-	-	35,500	39,375
RITC, MOF and other projects	-	227,715	-	227,715	215,720
Clergy Housing	-	877,166	234,126	1,111,292	1,056,395
Deanery Mission and Growth Grants	139,192	-	-	139,192	-
Grants to Parishes from Property Sales	57,004	-	-	57,004	34,754
DBF Central Costs (25%)	100,147	-	-	100,147	94,130
St James' House Costs (15%)	20,051	-	-	20,051	19,859
	7,520,312	1,104,881	234,126	8,859,319	8,449,499

NOTES TO THE ACCOUNTS

11. Support for Mission & Ministry in Parishes

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
Clergy Training	244,670	-	-	244,670	242,808
Lifelong Learning	321,175	-	-	321,175	290,736
Church and Society	92,534	62,077	-	154,611	96,272
Disability Discretionary	2,529	-	-	2,529	574
Inter-Diocesan Learning Community	-	20,394	-	20,394	-
Church Growth & Ecumenism	117,651	-	-	117,651	117,549
Tearfund Project	-	6,434	-	6,434	5,569
Resources Department	119,282	-	-	119,282	112,305
Ordinands in Training	151,522	-	-	151,522	165,606
General Synod Members' Expenses	9,158	-	-	9,158	8,479
Church Inspections	-	30,790	-	30,790	18,610
Communications Office	111,044	-	-	111,044	100,729
Pastoral Committee	-	17,795	-	17,795	17,633
Diocesan Synod	1,662	-	-	1,662	5,734
Safeguarding and Inclusion	91,434	-	-	91,434	89,378
Diocesan Advisory Council	28,579	-	-	28,579	26,912
Ecumenical Funding	64,037	-	-	64,037	54,291
DPA Parish Housing & DPA Grants	20,215	-	-	20,215	25,550
DBF Central Costs (60%)	240,352	-	-	240,352	225,912
St James' House Costs (80%)	106,940	-	-	106,940	105,918
Other	84,354	-	-	84,354	47,407
	1,807,138	137,490	-	1,944,628	1,757,972

NOTES TO THE ACCOUNTS

12. Education

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2013 £	Total Funds 2012 £
Board of Education	486,995	250,000	-	736,995	451,546
Property Expenditure on Schools	-	35,888	-	35,888	42,890
	486,995	285,888	-	772,883	494,436

13. Governance Costs

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2013 £	Total Funds 2012 £
DBF Central Costs (15%)	60,090	-	-	60,090	56,478
Diocesan Registry	69,423	-	-	69,423	59,346
Audit and accounting fees	14,388	-	-	14,388	15,548
St James' House Costs (5%)	6,684	-	-	6,684	6,619
	150,585	-	-	150,585	137,991

14. Other outgoing resources

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2013 £	Total Funds 2012 £
Pastoral Account	-	37,871	-	37,871	12,911
Losses on Disposal of Property	-	-	168,638	168,638	-
	-	37,871	168,638	206,509	12,911

NOTES TO THE ACCOUNTS

15. Tangible Fixed Assets

	DBF Property £	DBF Glebe £	DBF VLL Property £	Team Vicars Glebe £	Parsonages £	Fixtures & Fittings £	Total Funds £
Cost or Valuation							
At 1 January 2013	679,320	4,364,102	318,169	4,216,000	34,880,107	220,780	44,678,478
Additions	-	420,016	-	-	639,940	16,674	1,076,630
Disposals	-	(220,496)	-	(174,000)	(964,678)	-	(1,359,174)
Revaluation of property	-	30,444	-	-	75,999	-	106,443
At 31 December 2013	679,320	4,594,066	318,169	4,042,000	34,631,368	237,454	44,502,377
Depreciation							
At 1 January 2013	-	-	-	-	-	205,073	205,073
Charge for year	-	-	-	-	-	16,889	16,889
At 31 December 2013	-	-	-	-	-	221,962	221,962
Net book value							
At 31 December 2013	679,320	4,594,066	318,169	4,042,000	34,631,368	15,492	44,280,415
At 31 December 2012	679,320	4,364,102	318,169	4,216,000	34,880,107	15,707	44,473,405

All but one of the properties held as Tangible Fixed Assets are freehold. The sole leasehold property is valued at cost of £38,500. The trustees are of the opinion that the market value of land and buildings exceeds their carrying value by an amount which cannot be ascertained without a disproportionate cost in determining the information.

16. Fixed Asset Investments

	Investment UK Unquoted Properties £	Investments £	Total Funds 2013 £	Total Funds 2012 £
Unquoted				
Market value at 1 January 2013	3,275,000	4,851,660	8,126,660	7,848,577
Additions	260,345	1,633,331	1,893,676	433,350
Disposals	-	(2,545,028)	(2,545,028)	(411,337)
Gains on Investment Assets	-	401,256	401,256	256,070
Market value at 31 December 2013	3,535,345	4,341,219	7,876,564	8,126,660

The UK unquoted investments are pooled and have been reallocated during the year to ensure that each fund has an appropriate portion of investments allocated to it, taking into account the relative size of the fund and other assets held specifically in that fund (see note 28). All UK Unquoted Investments are with CCLA Investment Management.

NOTES TO THE ACCOUNTS

The Linnet Lane and Carsdale Road investment properties were valued through external inspection in 2007 by Thomson and Moulton Chartered Surveyors (RICS). The Stanley Road investment property was valued for insurance purposes in 2008 by St Giles Group Ltd (FSA regulated). Church House was valued by Honeybourne Kenny and Partners in 2009. The trustees have valued the investment properties at a current market value of £3,275,000 as at 31 December 2012.

Historical Cost of Investments	2013	2012
	£	£
UK Unquoted	4,424,069	3,273,249
Investment Property	2,086,955	2,086,955
	<u>5,931,024</u>	<u>5,360,204</u>

Unquoted Investments comprise	2013	2012
	£	£
CBF Fixed Interest Securities Fund Shares	-	674,335
CBF UK Equity Fund	-	1,633,265
CBF Property Fund	881,720	727,660
CBF Investment Fund	2,387,136	1,356,786
CBF Global Equity Fund	1,070,903	458,154
CBF Deposit Fund	1,448	1,448
DBE Services Ltd	12	12
	<u>4,341,219</u>	<u>4,851,660</u>

In 2005 the diocese purchased 12 ordinary shares of £1 each (now a 1/6th shareholding) in DBE Services Ltd. DBE Services Ltd provides services for schools. The Diocese's share of the surplus was £88,608 (see note 4).

The shares may not be disposed of or charged except in accordance with the provisions of the Shareholders' Agreement. Distributable profits attributable to the work done for relevant schools are to be distributed in the proportions to which they arise from the work done for the relevant schools for each shareholder and the remaining distributable profits shall be divided equally between the shareholders.

NOTES TO THE ACCOUNTS

17. Loans (amounts falling due after more than one year)

	2013	2012
	£	£
Loans to Parishes:		
Value Linked Loans for Curates' properties	<u>120,000</u>	<u>120,000</u>

18. Debtors

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2013 £	Total Funds 2012 £
Amounts due from parishes	577,085	-	-	577,085	610,621
Sundry debtors	410,350	-	-	410,350	651,920
Parish and other loans	173,474	-	-	173,474	129,019
Prepayments	306,320	-	-	306,320	204,366
	<u>1,467,229</u>	-	-	<u>1,467,229</u>	<u>1,595,926</u>

Debtors include the following balances due after more than one year.

	Total Funds 2013 £	Total Funds 2012 £
Sundry Debtors	325,336	-
Parish and other loans	157,474	104,505
	<u>482,810</u>	<u>104,505</u>

NOTES TO THE ACCOUNTS

19. Creditors: amounts falling due within one year

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2013 £	Total Funds 2012 £
Sundry creditors and accruals	656,839	-	-	656,839	1,173,091
Bank Creditors	446,891	-	-	446,891	-
Schools development project	63,594	-	-	63,594	239,918
Investment proceeds held for schools	-	-	-	-	1,011,233
Taxation and social security	29,805	-	-	29,805	25,867
	1,197,129	-	-	1,197,129	2,450,109

20. Creditors: amounts falling due after more than one year

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2013 £	Total Funds 2012 £
Loans from Church Commissioners	351,300	-	-	351,300	350,900
Loans from CCLA	1,000,000	-	-	1,000,000	650,000
Loans from CBF	-	2,000	-	2,000	2,400

Loans from Church Commissioners are secured on value-linked loan properties, included in fixed assets and are repayable on the sale of the property. There is no fixed repayment date for these.

The total interest paid during 2012 was £24,210 at a rate of 6%.

Loans in respect of curates' properties total £120,000 (2012- £120,000) (see note 17).

Loans from CCLA are repayable on a flexible basis within ten years. Interest is payable at 0.55% above the daily declared CCLA CBF Deposit Fund interest rate.

21. Net (Outgoing) / Incoming Resources for the year

	2013 £	2012 £
This is stated after charging: -		
Auditors' remuneration		
Audit – BWMacfarlane LLP	12,672	12,300
Non audit fees		354
Depreciation	16,889	13,523
VLL Loan Interest Paid	24,210	23,573
Operating Leases – Land & Buildings	72,000	72,000
Operating Leases – Plant and Equipment	9,621	9,621
Interest on bank loans and overdrafts	6,137	8,525
Interest on loans from CCLA	9,782	417

NOTES TO THE ACCOUNTS

22. Directors' emoluments

No emoluments have been paid from Board funds to any members of the Board of Finance. Board members are not included in the employees shown in note 23 below. Board members who are also stipendiary clergy receive remuneration including housekeeping, stipends and pension provisions based on national rates set by the central stipendiary authority.

23. Employees' information

The average number of persons employed by the company during the year was:

	2013	2012
	Number	Number
Full time	33	27
Part time	25	26
	<u>58</u>	<u>53</u>

Included in the above are three full time and three part time parish-based posts employed as lay alternatives to stipendiary clergy, funded from the stipends budget. Also included were seven full time and two part-time posts funded externally by Service Level Agreements, ecumenical grants, Liverpool University Anglican Chaplaincy, Together Liverpool and English Heritage.

	2013	2012
	£	£
Staff costs (for the above persons)		
Wages and salaries	1,214,483	1,085,258
Social Security costs	96,746	85,666
Other pension costs (Note 25)	307,379	316,833
	<u>1,618,608</u>	<u>1,487,757</u>

The above staff costs are allocated to the respective Boards and Committees of the Diocesan Board of Finance.

There were no employees with emoluments in excess of £60,000.

24. Guarantees

The Board has given guarantees to Lloyds Bank of £277,151 (2012: £298,264) in respect of loans granted to parishes. These guarantees would crystallise in the event of a default. At the end of the year, Capital commitments authorised but not yet contracted for were nil (2012 – £856,994). Commitments contracted for as at 31 December 2013 were £195,523 (2012 - £nil).

25. Pensions

(a) Clergy Pensions

The Liverpool DBF participates in the Church of England Funded Pensions Scheme and employs 202 members of the Scheme out of a total membership of approximately 8,500 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the Liverpool DBF is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31 December 2012. This revealed a shortfall of £293m, with assets of £896m and a funding target of £1,189m, assessed using the following assumptions:

An investment strategy of:

for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from 10% at 31 December 2012 to 2/3 by 31 December 2029, with the balance in return-seeking assets; and

for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets.

Investment returns of 3.2% pa on gilts and 5.2% pa on equities;

RPI inflation of 3.2% pa (and pension increases consistent with this);

Increase in pensionable stipends of 3.2% pa; and

Post-retirement mortality in accordance with 80% of the SINMA and SINFA tables, with allowance made for improvements in mortality rates from 2003 in line with the CMI 2012 core projections, with a long term annual rate of improvement of 1.5% for males and females.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires the [Employer] to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Following the results of the 2012 valuation, the Liverpool DBF contribution rate is due to increase from 38.2% to 39.9% of pensionable stipends from 1 January 2015 (of which 14.1% will be in respect of the £293m shortfall in the Scheme and 25.8% is in respect of accrual of future benefits and the day-to-day expenses of running the Scheme).

Contributions rates will be reviewed at the next valuation of the Scheme, due as at 31 December 2015.

(b) Staff Pensions

The Liverpool DBF participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund.

The Liverpool 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 DBS. A valuation of the fund has been carried out as at 31st December 2010 and the Liverpool DBF's contribution rate in respect of future accruing benefits was revised to 27.5% of pensionable salaries and additional contributions in respect of the shortfall in the

NOTES TO THE ACCOUNTS

Employer sub-pool of £112,585 pa are payable until 31st March 2022 with effect from 1st April 2012 (previously £91,908). During the

As at 31st December 2013 the Liverpool DBF had 31 active members and 26 deferred pensioner members in the scheme for which contributions of £296,668 were payable. [Since 2nd January 2009 the Liverpool DBF ceased to use the DBS as a vehicle for providing future pension benefits for new employees].

For eligible salaried employees who commenced employment after 1st January 2009, Liverpool DBF participates in the Church of England Pension Builder Scheme (PBS), within the Church Workers Pension Fund.

The PBS is a defined benefit scheme, which is administered by the Church of England Pensions Board and provides benefits at retirement based on contributions made to the PBS prior to the date of retirement.

The assets of the PBS are held separately from those of the employer. As at the formal valuation at December 2010, the PBS was in surplus on an ongoing funding basis. The next formal valuation of the PBS is due as at December 2013 and the work will be performed over 2014.

The Liverpool 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 former employees of other entities participating in the PBS. For schemes like this, paragraph 9(b) of financial Reporting Standard 17 (FRS17) required Employer to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

The Liverpool DBF had 12 active members and 9 deferred members in the PBS at 31 December 2013 for which contributions of £33,312 were payable.

26. Analysis of net assets by funds as at 31 December 2013

	Tangible Fixed Assets £	Loans/ Investments £	Net Current Assets £	Long-term Liabilities £	Total £
Unrestricted funds	1,012,981	6,036,582	270,100	(1,353,300)	5,966,363
Restricted funds	7,595,609	1,094,779	-	-	8,690,388
Endowment funds	35,671,825	865,203	-	-	36,537,028
Total	44,280,415	7,996,564	270,100	(1,353,300)	51,193,779

Further details of individual funds are given in note 28 below.

NOTES TO THE ACCOUNTS

27. Lease Obligations

At 31st December 2013, Liverpool DBF was committed to making the following payments under non-cancellable operating leases in the year to 31st December 2014:

	2014		2013	
	Land and Buildings	Plant and Equipment	Land and Buildings	Plant and Equipment
	£	£	£	£
Within 1 year	-	-	-	-
Within 2 to 5 years	-	9,621	-	9,621
After 5 years	75,000	-	75,000	-

28. Accumulated funds

The General fund is unrestricted. In 2010 £170,000 was designated to the Warrington Mission Development Fund from the sale proceeds of a former vicarage. As at 31 December 2013, total designated funds amounted to £152,996.

Pastoral Account: The Diocesan Pastoral Account represents the proceeds of redundant churches. These funds, held by the Diocesan Board of Finance, have not yet been applied to the purposes permitted by the Pastoral Measure 1983. The Pastoral Account can be used for the acquisition and development of parsonages and other clergy houses and the provision, restoration, improvement or repair of churches once the legal obligations for redundant church buildings vested in the Board for disposal have been met. When authorised, surplus funds may be transferred to the Stipends Fund Capital Account. When these funds have been used to purchase or improve property this has been charged to the Pastoral Account in the year of expenditure. Proceeds of sale have been credited as income in the year of receipt. Where the Board has used the funds to purchase or improve properties in its corporate capacity, these have been included as Fixed Assets in these financial statements.

Diocesan Stipends Fund (DSF) Capital Account: The Diocesan Stipends Fund Capital account was set up by the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of Glebe property, sale proceeds of parsonage houses and surplus benefice endowments following pastoral reorganisation. The capital can be used for the purchase of Glebe or benefice property though the income can be utilised for stipend purposes. The DSF capital account is disclosed as an expendable endowment in these financial statements.

Stipends & Ordinands Permanent Endowment: The Stipends & Ordinands Permanent Endowment Fund represents the accumulation of a number of donations given over a number of years towards the support of Stipendiary Ministry and Ordinands in training and their families.

DBE Property Restricted Fund: The DBE Property Restricted fund relates to the proceeds of sale of redundant school sites and is used for the benefit of church schools in the Diocese.

DBF Property Fund: The DBF Property Restricted fund represents the accumulated value of Glebe Houses and owned by the DBF.

NOTES TO THE ACCOUNTS

Parsonage Building Expendable Endowment Fund: The Parsonage Building Fund represents resources held for the provision of benefice houses in the diocese. It is represented by the collective value of benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in incumbents for the time being of the benefice concerned, the Board is obliged to maintain them to ensure that there are sufficient houses for the pastoral structure of the diocese and it receives the sale proceeds of benefice houses surplus to requirements into its Stipends Fund Capital Account or Pastoral Account. The major capital expenditure incurred by the Board is the purchase of new or replacement parsonage houses. If there is insufficient funding for the same held in the parsonage building fund, the balance comes from the Stipends Fund Capital Account or the Diocesan Pastoral Account. The Parsonage Building Fund has been included as an expendable endowment fund in these financial statements.

The Specific Restricted fund includes income and related expenditure for the following:

Tearfund
C of E Stipends Fund
Church Inspections
Akure & Partners in Mission
English Heritage

NOTES TO THE ACCOUNTS

28. Accumulated Funds (continued)

	General	Specific Restricted	DBF Property Fund	Pastoral Account	DBE Property Restricted	DSF Capital Expendable Endowment	Parsonage Building Expendable Endowment	Stipends & Ordinands Permanent Endowment	Total
	£	£	£	£	£	£	£	£	£
Movement in Year:									
Total Funds 2012	3,040,370	916,470	10,814,644	-	303,262	1,149,671	34,880,107	799,112	51,903,636
Incoming Resources	10,491,351	306,204	67,997	-	101,265	-	-	-	10,966,817
Outgoing Resources	(10,212,813)	(597,412)	(879,830)	(55,666)	(35,888)	(234,126)	(168,638)	-	(12,184,373)
Investment Asset									
Gains/losses	225,255	75,797	-	-	25,081	9,032	-	66,091	401,256
Revaluation of property									
Gains/losses	-	-	30,444	-	-	-	75,999	-	106,443
Transfers	2,422,200	-	(2,437,646)	55,666	-	115,880	(156,100)	-	-
Total Funds 2013	5,966,363	701,059	7,595,609	-	393,720	1,040,457	34,631,368	865,203	51,193,779
Represented by:									
Tangible Fixed Assets:	1,012,981	-	7,595,609	-	-	1,040,457	34,631,368	-	44,280,415
DBF Houses & Glebe	679,320	-	3,553,609	-	-	1,040,457	-	-	5,273,386
DBF Houses VLL	318,169	-	-	-	-	-	-	-	318,169
Parsonages & TV Glebe	-	-	4,042,000	-	-	-	34,631,368	-	38,673,368
Furniture & Fittings	15,492	-	-	-	-	-	-	-	15,492
Investments:	5,916,582	701,059	-	-	393,720	-	-	865,203	7,876,564
CCLA	2,381,225	701,059	-	-	393,720	-	-	865,203	4,341,207
Investment Property	3,535,345	-	-	-	-	-	-	-	3,535,345
DBE Services Ltd	12	-	-	-	-	-	-	-	12
VLL to parishes	120,000	-	-	-	-	-	-	-	120,000
Net Current Assets:	270,100	-	-	-	-	-	-	-	270,100
Debtors	1,467,229	-	-	1,467,229	-	-	-	-	1,467,229
Bank and Cash	-	-	-	-	-	-	-	-	-
Taxation & Social Security	(29,805)	-	-	-	-	-	-	-	(29,805)
Sundry Creditors & Accruals	(1,167,324)	-	-	(1,167,324)	-	-	-	-	(1,167,324)
Liabilities:	(1,353,300)	-	-	-	-	-	-	-	(1,353,300)
Loans From CCLA	(1,000,000)	-	-	-	-	-	-	-	(1,000,000)
Loans Church Comms	(351,300)	-	-	-	-	-	-	-	(351,300)
Loans from CBF	(2,000)	-	-	-	-	-	-	-	(2,000)
Total Funds 2013	5,966,363	701,059	7,595,609	-	393,720	1,040,457	34,631,368	865,203	51,193,779
Analysis of Reserves:									
General Funds	5,966,363	-	-	-	-	-	-	-	5,966,363
Restricted Funds	-	701,059	7,595,609	-	393,720	-	-	-	8,690,388
Endowment Funds	-	-	-	-	-	1,040,457	34,631,368	865,203	36,537,028
Total Funds 2013	5,966,363	701,059	7,595,609	-	393,720	1,040,457	34,631,368	865,203	51,193,779