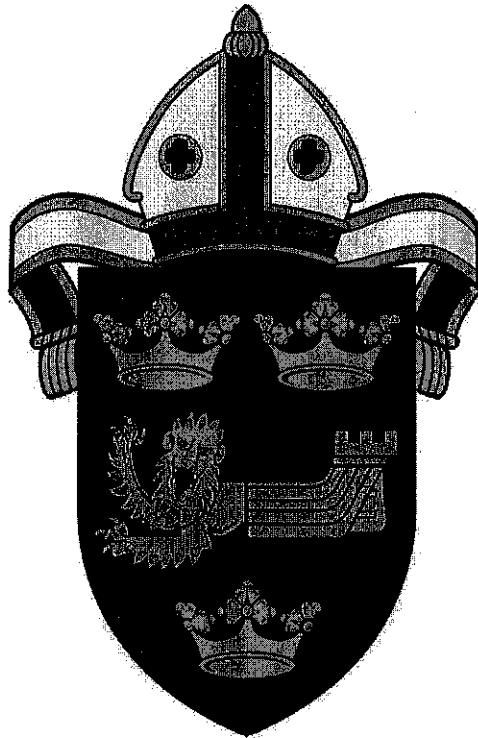


The St Edmundsbury and Ipswich Diocesan Board of Finance



Report and Financial Statements

For the year ended 31 December 2018

**Company Limited by Guarantee
Company Registration No. 00143034
Charity Registration No. 248919**

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

CONTENTS	Page
Introduction	2
Legal objects	2
Strategic Report	
1 Strategic aims	3
2 Objectives for the year	3
3 Activities and achievements in the year	3
4 Plans for the future	6
5 Subsidiaries, related parties and volunteers	6
6 Financial review	7
7 Custodian trustee	9
8 Principal risks and uncertainties	10
Structure and governance	11
Trustee responsibilities	13
Administrative details	14
Independent Auditor Report	17
Consolidated Statement of Financial Activities	21
Consolidated Summary Income and Expenditure Account	22
Group and Charity Balance Sheet	23
Consolidated Cashflow Statement	24
Notes to the Consolidated Cashflow Statement	24
Statement of Accounting Policies	26
Notes to the Accounts	31

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

INTRODUCTION

The trustees, who are also directors for the purposes of company law, present their directors' and strategic reports together with the audited financial statements, for the year ended 31 December 2018.

The directors/trustees are one and the same, and in signing as trustees they are signing the strategic report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

- A Directors' report for a charitable company;
- A Strategic Report under the Companies Act 2006; and
- A Trustees' Annual Report under the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

LEGAL (CHARITABLE) OBJECTS

The objects of the St Edmundsbury and Ipswich Board of Finance (the DBF), as set out in the Memorandum of Association, are to promote and assist the work and purposes of the Church of England in the Diocese of St Edmundsbury and Ipswich and in particular to organise and provide funds in support of the work of the Church in the following essential areas:

- i. Training for and maintenance of the ministry, both stipendiary and non-stipendiary, including the provision of pensions for stipended ministers;
- ii. Securing sites for and providing for the building, alteration, improvement and repair of church buildings, mission rooms, church halls, parsonage houses, hostels, clergy houses and other buildings to be used in connection with any objects of the Board;
- iii. Religious education in all its branches, including the acquisition of buildings, equipping, improving and repairing Church of England schools and colleges; and
- iv. Provision of expenses of the diocesan and central organisation.

The DBF's objects can, if approved by Diocesan Synod and sanctioned by the Bishop, be carried out beyond the Diocesan borders.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

STRATEGIC REPORT

Growing in God: flourishing congregations making a difference

1 Strategic aims

The primary role of the DBF is to identify and manage the financial aspects of the provision of ministry within the Diocese, so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities in the Diocese. In particular:

- To lead the implementation of our compelling vision and strategy, Growing in God, for the next stages of mission, in witness and action, that can be owned by the whole diocese;
- To build the confidence of clergy and laity in their own faith and gifting, enabling their gospel witness in work and deed; to encourage a sense of urgency and imagination, enabling the Church to grow in depth, number, younger and in influence;
- To ensure the effective working of the Diocese through our structures, leadership and relationships, to increase giving levels and put our finances on a more sustainable footing.

2 Objectives for the year

After a year of embedding a more open, transparent and collaborative way of working, 2018 focussed on becoming increasingly outward looking and team based, looking to the future with confidence. Other key priorities were to:

- a. Continue to progress our strategy, 'Growing in God'.
- b. Encouraging 'flourishing congregations', through the funding and support of stipendiary clergy and other ministers.
- c. Work to stabilise our income sources and maximise use of our resources.
- d. Develop our church schools.
- e. Continue to build positive engagement with the national Church.
- f. Safeguarding - meet the Church's national policy and practice requirements.

3 Activities and achievements in the year

We continued to develop and engage with the diocesan vision and strategy, Growing in God, and its four priorities of growing in depth, influence, number and younger. This is consonant with the national Renewal and Reform agenda. By sharing exactly what it is that God is calling us to be and to do enables us to be clear in the development of our resources to fund and support that vision.

a Growing in God

- **Launched Phase II of our nine-year strategy** to enable parishes to review or start mission action planning through:
 - a revised Celebrating Reflecting Planning framework booklet to encourage a cycle of celebration, reflecting, planning and action;
 - 10 roadshows covering all deaneries attended by nearly 400 people and offering workshops on communications, accessible worship services and creative use of church buildings for Christian mission.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- Devised, consulted on and submitted **Strategic Development Funding applications** for two projects 'Inspiring Ipswich' and 'Growing in God in the Countryside' that have resulted in a £4.95m investment by the national church to accelerate growth in discipleship, church planting, fresh expressions of church and effective community engagement over the next six years;
- with financial support from Rural Ministries, the formation of Missional Discipleship Groups underpinning a new **Suffolk Fresh Expressions Community**;
- Developing missional and ministry strength through **Germinate** - commenced a two-year programme to support four rural multi parish benefices to offer best practice in rural mission and facilitate learning within and between ministry teams;
- **Setting God's People Free Learning Community** - developed learning to support every day faith and increase confidence of church members to live out their faith confidently;
- **Reader Ministry** - increased number of those in training. Continued to develop new modules;
- The **New Lay Ministries Service** licensed four Readers and three Pioneers, the first of four new outward looking lay ministries;
- Started pilots of three other new lay ministry courses: Families Ministry, Youth Ministry and Evangelists in conjunction with national providers and with financial support from The Allchurches Trust; and
- **Ordained a record number of deacons (25)**, following successful recruitment of more ordinands via the innovative Auxiliary Ordination Pathway. We expect to ordain a further 17 ordinands in 2019.

b Encouraging flourishing congregations

- Raised £6.3m from voluntary contributions;
- Paid the stipend costs of c.122 incumbents, curates and other clergy;
- Managed, maintained and improved approximately 145 houses, principally for clergy;
- Supported repairs and improvements to 478 churches throughout the Diocese and enabled by a largely volunteer Diocesan Advisory Committee for the Care of Churches (DAC) who give freely of both their time and expertise. The DAC made 76 site visits to churches during the year;
- Held three churchwardens training sessions reaching 90 people as well as social media and treasurer training; and
- Succeeded in becoming a pilot site for the Taylor Review, designed to establish the benefit of full-time local fabric support and community development advisors, funded by Historic England.

c Effective use of income and use of resources

- Updated the parish share allocation methodology to reduce the complexity of the allocation and better reflect the costs of ministry, to encourage growth and to minimise the swings in annual allocations. Also introduced a process to formalise and assess requests to reduce a parish's payments;
- Implemented a diocesan wide funeral fee process to improve timeliness of collections, with a 5% increase in fees in 2018;
- Supported the Bishop-led successful launch of the Parish Giving Scheme. At the year-end, 92 parishes and 438 donors had joined the Scheme (5% of planned givers);
- Launched contactless giving, reflecting the national trend away from use of cash. 8 parishes now have a contactless donation terminal;

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- Our return on assets improved, for example, in January there were 13 empty properties representing 244 empty weeks. By December there were 9 empty properties representing 95 empty weeks;
- Completed a land strategy and started research into the potential implementation of Total Return; and
- Begun the process of implementing GDPR with an agreed timeline to achieve compliance in 2019.

d Developing church schools

We supported 87 Church of England schools through:

- Governance:
 - Training on a new national Statutory Inspection of Anglican and Methodist Schools (SIAMS) inspection schedule, from September 2018;
 - Supporting 15 schools before and after Ofsted and 10 SIAMS inspections;
 - Shortlisting and interviewing for six head teachers;
 - Appointing 66 governors (out of a total of 300);
- Training - delivered 25 training courses on religious education and collective worship and other subjects, attended by 272 teachers and other staff;
- Supporting head teachers with advice and support, offering a wellbeing and resilience day and by delivering a conference for headteachers and governors.
- Improving sustainability:
 - Supporting 12 schools with conversion to Academy status
 - Assisting with the management of capital projects in 11 Voluntary Aided schools; and
 - Approving a small school strategy
- Holding a cathedral service to celebrate church schools.

The St Edmundsbury and Ipswich Diocesan Multi Academy Trust (MAT) was established in 2015. The DBF continues to provide staff, office services and accommodation.

e National Church

- Engagement on a range of subjects including mission and ministry, safeguarding, finances, communications and educational matters;
- Successfully applied for Strategic Development Funding amounting to £4.95m over six-years. In addition, secured further Strategic Capacity Funding (SCF) to develop capacity to support our projects; and
- Launched the national Parish Giving Scheme, using SCF to secure the benefits of the scheme.

f Safeguarding

With ongoing guidance and scrutiny from an independently chaired, multi-agency, Diocesan Safeguarding Advisory Panel, provided support to parishes to enable their safeguarding practice and safer recruitment. In particular:

- the Diocesan Safeguarding Adviser provided advice in relation to 118 referrals, an increase from c.70 in the previous year;
- the Diocesan trainer and a team of c.40 volunteers delivered almost 6,000 units of training at 134 events;
- processing of 425 DBS checks, for those working with children and/or adults at risk of harm or abuse; and
- All Stipendiary Clergy have now formally acknowledged their safeguarding roles and responsibilities with regard to the National Church of England Promoting a Safer Church policy framework c.86% attended required training (C3) in year one of a three-year training plan.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

4 Plans for the future

Future plans will continue to centre around the Growing in God vision:

- Developing new lay ministries of youth, families and evangelists;
- Developing a coherent Growing Younger plan to promote parish churches and fresh expressions, in which children and young people and households are actively involved and growing spiritually;
- Implementing our plans for which we have received Strategic Development Funding:
 - **Inspiring Ipswich (Urban-focused project)** – transforming the Ipswich deanery such that by 2025 we will have:
 - Doubled the existing number of worshipping communities to over 50;
 - Engaged 7,500 people in exploring faith;
 - Grown 1,500 new Christian disciples.
 - **Growing in God in the Countryside (Rurally-focused Project)** - enabling rural communities to flourish, such that by 2025 we will have grown 1,500 new Christian disciples of all ages via two streams of work:
 - The development of a Suffolk Fresh Expressions Community (Lightwave); and
 - Catalysing cultural transformation.
- **Supporting clergy** to develop their regular teaching on financial giving as part of Growing in Depth to stimulate an uplift in giving per person;
- Continuing to **support parishes** to develop their missional activity using the Celebrating Reflecting Planning tool;
- **Supporting deaneries** to develop and articulate mission and ministry in and between Benefices using the new Deanery Planning Template;
- Continue to **develop our community engagement** both in town and country through our partnership with Flourish, combating rural isolation and developing new community projects for those in greatest need in areas of deprivation;
- Supporting the implementation of our revised **Environment Policy** to encourage parishes to become Eco Churches; and
- Developing **communication** and **stakeholder engagement plans** to support the formation of internal communications, community engagement and public voice.

5 Subsidiaries, related parties and volunteers

Subsidiaries

The DBF has one wholly owned trading subsidiary, Churchgates 2000 Ltd, whose assets and liabilities are consolidated into the Stipends Capital Fund (see note 15 to the financial statements).

Related parties

The Diocese, as part of the Church of England, has a number of related parties:

- **Parochial Church Councils (PCCs).** The DBF is required by Measure to be custodian trustee in relation to PCC property, but the Board has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements. PCCs are able to influence the decision-making within the DBF and at Diocesan Synod level through representation to those bodies;
- **General Synod, Church Commissioners and Archbishops' Council.** The DBF has to comply with Measures passed by the General Synod of the Church of England and is requested to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Some of the directors have membership of or attend meetings of National Church Institutions and are engaged in their decision-making processes;

- **The Church of England Pensions Board**, to which the DBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement;
- **Charities such as the**
 - Elizabeth Walter Charitable Trust, which exists to pay for the St Lawrence Preacher and apply income for religious educational purposes in connection with the Church of England amongst children, young persons and adults in Ipswich, and the upkeep of the redundant church of St Lawrence
 - The Suffolk Clergy Charity, which exists for the relief of widows, widowers and other dependents of deceased clergy of the Church of England within the Diocese
 - The St Edmundsbury and Ipswich Multi Academy Trust.

Further details are to be found in note 29.

Volunteers

The DBF is dependent on the huge number of people involved in church activities both locally and at a diocesan level, and 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 church volunteering also has a significant impact on people's relationship to the church. Trustees and senior management greatly value the considerable time given by all the volunteers across the Diocese in pursuit of the mission of the DBF.

6 Financial review

Financial Performance

The Consolidated Statement of Financial Activities (SOFA) records **total income** of £8,901k (2017: £8,373k) with **expenditure** amounting to £8,334k (2017: £8,436k). The overall operating result is £630k better than 2017 demonstrating that we have made progress in 2018 to ensure our finances are in better working order.

Parish Share, the money given by parishes to the DBF to fund the mission and ministry of the diocese, is the main incoming resource for the DBF providing 71% of its income. At £750k, the net parish share shortfall was worse than the budget assumption of £355k. The shortfall worsened by £50k compared to 2017, and the percentage of share collected worsened slightly to 89.4% (2017: 89.9%). Despite the net share being one of the highest in recent years, and not without huge effort on behalf of our parishes, the trustees consider the share shortfall remains unacceptably high.

Nonetheless, the DBF has met all its financial obligations to continue resourcing the diocese, 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 the diocese.

During 2018, the DBF paid £337k (2017: £404k) as a deficit contribution towards the Defined Benefit Pension scheme managed by the Church of England Pensions Board. It expects to continue to make contributions of a similar scale for the foreseeable future. Until the Triennial Valuation at 31 December 2018 is complete, there is uncertainty around the potential size of the deficit and the contribution levels for 2019 onwards.

Net income before investment gains showed a surplus for the year of £567k (2017: deficit of £63k), largely arising from surpluses of property sales.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Net losses on investments amounted to £3k (2017: gain of £687k) as stock markets fell sharply at the end of the year.

The overall **increase in funds** in the year was £874k (2017: £1,048k) which, whilst pleasing, masks the underlying challenge to produce a balanced operating result.

Of the total £874k gain, £396k (2017: £1,449) relates to Endowment Funds, which are not currently available to spend. There were gains on unrestricted funds of £167k (2017: loss of £64k) and £311k (2017: loss of 337k) on restricted funds.

Net cash inflow of £950k (2017: outflow of £473k) arises from the sales proceeds and surpluses on the sale of properties, offsetting the shortfall in parish share receipts. The net cash inflow from investing activities at £1,648k (2017: £431k) is due to receipts from the sales of property.

Significant Property Transactions

Most of the residential property portfolio is held for operational purposes and it is managed to achieve required quality standards. Significant operational property transactions in the year comprised:

- Purchase of two properties for housing stipendiary curates in training.
- Purchase of one property for housing a stipendiary ecclesiastical office holder.
- Sale of four properties surplus to operational requirements.
- Sale of one investment property surplus to operational requirements.

Glebe land and property is held for investment purposes. The overall strategy is to retain a land holding, to seek to leverage value through long term development, and to dispose of less lucrative holdings. During the year the DBF completed no sales (2017: one) of Glebe land. We will be working with our land agents to complete a cycle of rent reviews and lease renewals on glebe land as advised by the DBF's land agents.

The Diocesan Stipends Capital Fund is available for providing and improving benefice and glebe property and when invested provides income for clergy stipends.

Balance Sheet Position

The trustees consider that the balance sheet, together with details in note 24, show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £76,247k (2017: £75,373k) it must be remembered that this figure includes clergy houses, valued at £62,979k (2017: £63,191k). Much of the remaining balance sheet assets are held in restricted funds which cannot necessarily be used for the general purposes of the DBF.

Reserves Policy

The trustees have established the level of general reserves (i.e. freely available funds) that the Charity ought to maintain in its unrestricted fund, to ensure it meets the running costs of the Diocese and to cover unforeseen or unplanned events. The DBF relies on donations from parishes for income. These donations are not all received in regular equal instalments across the year, with some parishes paying in arrears. This coupled with the risk of external economic factors on the communities' ability to pay in any one year, and the ongoing and significant shortfalls in share received compared to that required, means that the DBF considers it prudent to retain sufficient funds in liquid form to meet at least six weeks' worth of budgeted costs - £962k. At 31st December 2018, the DBF held unrestricted cash liabilities of £178k (2017: £279k), a slight improvement for 2018 and net current assets of £304k (2017: net current liabilities of £131k) – still substantially below the stated requirement. In the short to medium term, cash flow is supported from the Diocesan Pastoral Account (DPA). When it becomes apparent that the unrestricted fund

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

will not receive sufficient cash from income, sales or transfers to meet the cash holding requirement and repay the DPA within the foreseeable future, consideration will be given to subventing funds from the DPA.

Restricted and endowment funds

As set out in note 21, the DBF holds and administers a large number of restricted and endowment funds. As at 31 December 2018 restricted funds totalled £3,380k (2017: £3,069k) and endowment funds totalled £68,548k (2017: £68,152k).

Grant making policy

Contributions are made to the National Church to cover a proportion of its central costs and to cover the cost of training for ministry (see note 10). Grants are paid to other charities e.g. PCCs and charitable projects which appear to the DBF to support the furtherance of its objects. Other grants are approved according to the terms of reference of the relevant fund.

Investment policy and returns

The DBF holds investments to generate income, to help ensure the continuity of its charitable objectives. Investments are at the discretion of the trustees; however, they draw upon the Trustee Act 2000 to ensure best practice and compatibility across all the DBF's investment decisions and operate within the DBF's agreed investment policies. The DBF has adopted in its investment policy the Statement of Ethical Investment Policy produced by the Church of England's Ethical Advisory Group. This policy is also supported and participated in by CCLA, where the majority of funds are invested.

During 2018 the Trustees reviewed the Investment Policy to ensure it continues to maximise the income potential of our portfolio, given that Investments comprise some 16.2% by value of the Charities net assets. The group investment holdings are shown in the table below:

	Funds at 31 December 2018	Proportion of portfolio	Income yield in year	Total return in year
CBF Investment Fund	7,753	66.6%	3.40%	2.42%
CBF Property Fund	1,369	11.8%	5.31%	8.49%
Glebe Land / Buildings	2,465	21.2%	2.03%	-
Other	51	0.4%		
Total	11,638	100.0%		

Budget and outlook for 2019

The budget for 2019 was approved by Bishop's Council and by Diocesan Synod in June 2018 providing for an increase in parish share of £139k (2.0 %) and a limit on operational expenditure of £8.2m.

Going Concern

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

7 Custodian trustee

The DBF is responsible for the management of glebe property and investments, to generate income to support the cost of stipends. It is also the Diocesan Authority for the parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The trustees are custodian trustees in relation to Parochial Church Council (PCC) property and for trust investment assets with a market value at 31 December 2018 of £2,820,000 (2017: £2,900,000). The investments are held on behalf of PCCs and Vicars and Churchwardens, for trusts which benefit the parishes and so fall within the objects of the charity. Each PCC is a separate charity. The assets are held separately from those of the DBF.

The Charity also holds various devolved capital balances on behalf of church schools. These funds are used for capital projects. The funds remain under the control of the school concerned and are not included in these accounts. At 31 December 2018, the total funds held on deposit were £300,000 (2017: £300,000).

8 Principal risks and uncertainties

The trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, trustees have developed a risk policy which is supported by a register of identified risks, along with management and/or mitigation plans. The Governance Committee reviews the risk register periodically and each year, the trustees are invited to review the risk register and accompanying plans. The responsibility for delivery of the identified risk management plans is delegated to the Diocesan Secretary and her executive team or to the Archdeacons as appropriate.

The trustees confirm that the major risks have been reviewed and that plans are in place, where possible, to minimise and/or manage those risks. The register identifies four strategic risks with a pre-mitigation rating of high and these are, along with mitigation plans, as follows:

Heavy reliance on parish share and generosity. This risk recognises the importance of the parish share, a voluntary income stream which accounts for just over 71% of the DBF's overall income. There is a need for continued generosity on the part of parishes and individuals to reduce the risks arising from a shortfall on parish share.

Mitigation includes launching the Parish Giving Scheme as a significant tool to support stewardship campaigns to recognise generosity as a fundamental Christian calling, led by the Bishops. Also giving targeted support to particular parishes, changing the parish share allocation method from 2019 and developing a comprehensive financial strategy.

Safeguarding. Safeguarding remains a high priority for the diocese and consequently it has seen significant investment in capacity. Despite this, trustees consider there to be a significant risk that new allegations will come to light, particularly with the current IICSA proceedings.

Mitigation includes knowing how to respond well to allegations of abuse, having clearly defined and implemented training programmes and tracking attendance on such programmes – notably for those holding frontline positions of trust on behalf of the organisation - documented and implemented procedures for the referral of concerns and safer recruitment, a multi-agency advisory panel independently chaired by a retired Chief Constable, culture of continuous learning e.g. independent review of serious cases.

Failure to optimise resources. This recognises the risks that the Diocese will face significant ministerial retirements over the coming years, that ministers are deployed sub-optimally in terms of mission effectiveness, that support is not applied in the most mission effective way.

Mitigation includes ensuring that the Strategic Development Funds are invested effectively to accelerate growth across the diocese; ensuring the pathway to local ordination is

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

sustainable and finalising plans to implement a long-term ministry deployment plan for the diocese.

Communications across the diocese. Insufficient planning and/or effective internal communications may result in late and/or inadequate external communications, which in turn may disaffect part of the diocese leading to damage to mission and financial commitment.

Mitigation includes having an experienced and integrated communications team with clear roles and responsibilities and with clarity of response to media enquiries, up-to-date planning for the unexpected and approved crisis management and social media policies for both staff and ministers.

Resources to support the work of the diocese. An imperative to reduce the deficits and cash outflows in previous years has reduced the capacity of the DBF to support and enable the work of ministers and parishes. There is a continued reluctance to streamline priorities and governance and therefore resources are often stretched, leading to the risk that important matters are overlooked or left undone.

Mitigation includes working towards agreed DBF priorities each year, translated into departmental objectives and job descriptions; increasing automation through software and a relentless focus on using budgets effectively.

STRUCTURE and GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is the established church and HM The Queen is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the diocese.

The National Church has a General Synod comprised of ex-officio and elected representatives from each diocese and it agrees and lays before Parliament Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pensions schemes for stipendiary ecclesiastical office holders and employees. Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod.

Whilst each diocese is separate with a clear responsibility for a specific geographical area, and each diocesan board of finance is a separate legal entity, being part of the Church of England requires and enables working together in a national framework and with national church institutions.

The Diocese of St. Edmundsbury and Ipswich (the Diocese)

The Diocese was created in 1914 and broadly took its present form in 1924. It is arranged as three archdeaconries; Ipswich covering the deanery of Ipswich and five further deaneries; Suffolk the eastern part with six deaneries and Sudbury the western part, also with six deaneries. From 2006 until April 2019, the archdeaconries were overseen by two archdeacons, one for Suffolk and one for Sudbury, with the Ipswich deaneries shared between them. In April 2019, a new Archdeacon of Ipswich was appointed to spearhead

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

our "Inspiring Ipswich" initiative funded by the national Church, with the remaining deaneries still overseen by the Archdeacons of Sudbury and Suffolk as before. In total, there are some 454 parishes in the diocese, serving a population of c 630,000.

The Cathedral of St Edmundsbury

The relationship with the Cathedral is that of mother church of the Diocese and is legally constituted as a separate charity.

Diocesan governance

The statutory governing body in the Diocese is its Synod, which is an elected body with representation from all parts of the Diocese. It meets three times a year. Many of the Synod's responsibilities have been delegated to the Bishop's Council.

Decision making structure

The Bishop's Council brings together policy-making and financial management, and satisfies the requirements of Dioceses, Pastoral and Mission Measure 2007. The body has three legal identities, the Bishop's Council and Standing Committee, the Diocesan Board of Finance (the DBF) and the Diocesan Mission and Pastoral Committee. All three have the same membership and meet at the same time and place, at least six times a year.

All members of Bishop's Council are the directors of the DBF for the purposes of the Companies Act and are trustees under charity law. The DBF is a company limited by guarantee and registered in England (00143034). It is a registered charity (248919).

The trustees, meeting within the context of Bishop's Council and the DBF are responsible for formulating and coordinating policies on mission, ministry and finance. Certain other responsibilities are delegated to committees, following a review in 2017 and summarising their respective terms of reference, as follows:

Bishop's Staff	Oversight of the day to day operations of the DBF, clergy matters, communications and implementation of strategy.
Finance and Investment Committee	Scrutiny of the accounts and audit process, budgets and financial plans and manages assets and investments, including glebe land and property.
The Governance Committee	Scrutiny of DBF policies, procedures, HR, H&S and overall governance. Review of senior employee remuneration.
The Parsonages Committee	Manages clergy housing, standards and guidelines.

Reporting / providing information to the Bishop's Council

- The Archdeaconry Mission and Pastoral Committees are statutory bodies which advise on the re-organisation of parishes and benefices.
- The Diocesan Advisory Committee is a statutory body which advises the chancellor and the Archdeacons before a faculty is granted.
- Diocesan Safeguarding Advisory Panel.
- The Diocesan Board of Education is a statutory body which provides advice, guidance and resources for Church schools and others in the diocese.

Membership

Bishop's Council consists of 7 ex officio members, 5 clergy elected by the house of Clergy from among their number, 5 lay people elected by the House of Laity from among their number, and a maximum of 4 members nominated by the Diocesan Bishop.

Committee membership is as defined by each committee's terms of reference.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Trustee recruitment, selection, induction and training

The trustees are selected as above. Trustee training is arranged at the start of each triennium and subsequently as appropriate, dependent upon a trustee's knowledge, skills and experience.

New trustees are provided with a handbook for use as an introductory educational tool and as an on-going resource. All trustees are required to maintain their entries in the record of declarations of interest.

Remuneration of key employees

The governance committee reviews the remuneration of senior employees annually. The governance committee comprises 5 trustees.

Public Benefit

The trustees are aware of the Charity Commission's guidance on public benefit and the supplementary guidance for charities whose aims include advancing religion and have regard to that guidance in their administration of the charity.

The trustees believe that, by promoting the work of the Church of England in the Diocese of St Edmundsbury and Ipswich, the charity helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese and in its individual parishes, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development both for its members and for anyone who wishes to benefit from what the Church offers; and
- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Fund raising standards

In 2017, the Bishop's Lent appeal was launched to support our link Diocese, Kagera. Parishes were encouraged to support this link and over £60k was raised. Any funds raised were entirely at the discretion of churches and individuals and voluntary. The Bishops have launched a similar appeal for 2019.

The DBF does not engage professional fundraisers or commercial partners in these activities and is not linked to or bound by a voluntary standard of fundraising. No complaints have been received by the DBF concerning fundraising activities.

Trustees' responsibilities

The trustees (who also act as directors for company law purposes) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and the group and of the net incoming or outgoing resources of the group for that period. In preparing those financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group, ensuring that the assets are properly applied in accordance with charity law, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees have responsibility for the maintenance and integrity of the corporate and financial information on the website; and are aware that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

A resolution to reappoint Lovewell Blake LLP as auditor to the company and to authorise the trustees to fix their remuneration will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

The charity's name is The St Edmundsbury and Ipswich Diocesan Board of Finance and its registered office is the Diocesan Office, St Nicholas Centre, 4 Cutler Street, Ipswich IP1 1UQ.

The charitable company is limited by guarantee and registered under the Companies Act 1985 Company No 00143034. It is governed by the Memorandum and Articles of Association and set up under the provisions of the Diocesan Boards of Finance Measure 1925. It is a Registered Charity, No 248919, and it is subject to both Company Law and Charity Law.

Trustees

In accordance with the Companies Act 2006, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), and in accordance with the governance structures (section 5), the trustees (for the purposes of charity law) and directors (for the purposes of company law) during the year and as at the date of signing were as follows:

President (ex officio)	The Rt Revd M Seeley, Bishop of St Edmundsbury and Ipswich
Chairman	The Ven I D J Morgan Archdeacon of Suffolk (resigned as Chairman 24 February 2018) Mr M Pendlington, Chairman (from 8 May 2018)
Ex officio	The Rt Revd Dr M R Harrison Bishop of Dunwich The Ven Dr D H Jenkins, Archdeacon of Sudbury

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	The Ven R E King, Archdeacon of Ipswich (from 25 March 2019)
	The Rt Revd G P Knowles, Acting Dean of St Edmundsbury (from 16 October 2017 until 14 July 2018)
	The Very Revd J P Hawes, Dean of St Edmundsbury (from 14 July 2018)
	The Revd Canon J L Alderton-Ford, Chairman of the House of Clergy (retired 12 October 2018)
	Canon M Wilde, Chairman of the House of Laity (retired 12 October 2018)
	The Revd S J Potter, Chair of the House of Clergy (from 12 October 2018)
	Canon A R Allwood, Chair of the House of Laity (from 12 October 2018)
Elected	Canon T E Allen, House of Laity (retired 18 September 2018)
	Mr D J Lamming, House of Laity
	Mrs M Condick, House of Laity (retired 18 September 2018)
	Mr D A J Ball, House of Laity (from 18 September 2018)
	Mrs P Bird, House of Laity (from 18 September 2018)
	Mr D J Chambers, House of Laity (from 18 September 2018)
	Mr I Wigston, House of Laity
	The Revd C A Collins, House of Clergy (retired 18 September 2018)
	The Revd M E Osborne, House of Clergy (retired 18 September 2018)
	The Revd A S Dotchin, House of Clergy (from 18 September 2018)
	The Revd M Haworth, House of Clergy (from 18 September 2018)
	The Revd S Bates, House of Clergy (from 14 February 2019)
Co-opted:	Mr S R West
	The Revd C Cook (appointed 14 February 2019)

Members are shown in the categories in which they are currently appointed. They may previously have served in a different capacity.

The Trustees delegated responsibility for the day-to-day management of the DBF to the Diocesan Secretary who is supported by a senior management team and at the date of signing are:

Diocesan Secretary	Anna Hughes
Director of Strategic Planning and Communications	Gavin Stone
Finance Director	Gary Peverley
Director of Education	Jane Sheat
Director of Mission and Ministry	The Revd Dave Gardner
Head of Property	Dawn Gillett
Diocesan Advisory Committee Secretary	James Halsall

Company Advisers:

Auditor:	Lovewell Blake LLP, Chartered Accountants & Statutory Auditor. Bankside 300 Peachman Way, Broadland Business Park, Norwich, Norfolk, NR7 0LB
Bankers:	The Royal Bank of Scotland plc, 8-10 Princes Street, Ipswich, IP1 8QT
Solicitor & Registrar:	Birketts, Providence House, 141-145 Princes Street, Ipswich, IP1 1QJ
Investment Advisers:	CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London. EC4V 4ET

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The trustees' and directors' report and strategic report were approved by the trustees and directors of the Board and signed on its behalf by:



The Rt Revd Dr M R Harrison Bishop of Dunwich

Trustee and Director

7th May 2019



Mr S R West

Treasurer of the St Edmundsbury and Ipswich Diocesan Board of Finance

7th May 2019

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of The St Edmundsbury and Ipswich Diocesan Board of Finance (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Group and the Parent Charitable Company Balance Sheet, the Consolidated Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2018, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE (CONTINUED)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' and directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE (CONTINUED)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies'

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

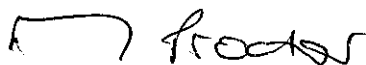
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE (CONTINUED)

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf

LOVEWELL BLAKE LLP
Chartered Accountants and Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
Norfolk
NR7 0LB

Dated: 29th May 2019

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Statement of Financial Activities for the Year Ended 31 December 2018

		Unrestricted Funds	Restricted Funds	Endowed Funds	Total Funds 2018	Total Funds 2017
Note	£000	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and legacies						
Centenary share	1	6,353	-	-	6,353	6,261
Archbishops' Council	2	209	132	-	341	283
Other donations	3	121	93	-	214	194
Charitable activities	4	569	68	-	637	650
Other trading activities	5	308	14	-	322	224
Investments	6	301	228	1	530	582
Other income	7	-	-	504	504	179
Total income		7,861	535	505	8,901	8,373
Expenditure on:						
Raising funds	8	161	-	-	161	255
Charitable activities	9	7,492	661	20	8,173	8,181
Total expenditure		7,653	661	20	8,334	8,436
Net Income / (expenditure) before investment gains						
		208	(126)	485	567	(63)
Net (losses)/gains on investments		-	(11)	8	(3)	687
Net income / (expenditure)		208	(137)	493	564	624
Transfers between funds	13	(133)	448	(315)	-	-
Other recognised gains and (losses):						
(Loss)/Gains on reclassification of fixed assets		92	-	74	166	359
Actuarial gains on defined benefit pension schemes	22	-	-	144	144	65
Net movement in funds		167	311	396	874	1,048
Reconciliation of funds:						
Total funds at 1 January 2018		4,152	3,069	68,152	75,373	74,325
Total funds at 31 December 2018		4,319	3,380	68,548	76,247	75,373

The comparative figures analysed by fund are detailed in note 31 of the accounts.

The notes on pages 31 to 55 form part of these financial statements.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Summary Income and Expenditure Account Year Ended 31 December 2018

	2018	2017
	£000	£000
Total Income (see below)	8,385	8,181
Resources Expenditure (see below)	8,314	8,436
Operating surplus/(deficit) for the year	71	(255)
Interest receivable	11	12
Net (loss)/gain on investments	(3)	687
Surplus for the year	79	444
Other comprehensive income:		
Unrealised gain / (loss) on property	166	359
Actuarial gain on defined benefit pension scheme	144	65
Net assets transferred from endowments	485	180
Total comprehensive income for the year	874	1,048

Supplementary Information

Total income comprises £7,861k for unrestricted funds, £535k for restricted funds and £505k for endowment funds. A detailed analysis of income by source is provided in the Statement of Financial Activities. Detailed analysis of expenditure is provided in the Statement of Financial Activities on page 21 and notes 8 to 9 to the accounts.

The net surplus for the year of £79k comprises £208k net surplus on unrestricted funds and £129k net deficit on restricted and endowment funds.

The summary income and expenditure account is derived from the Statement of Financial Activities on page 21 which, together with the notes to the financial statements on pages 31 to 55, provides full information on the movements during the year of the funds in the group.

Reconciliation of Summary Income and Expenditure to SoFA	2018	2017
	£000	£000
Total income per SoFA	8,901	8,373
Less total endowment additions	(505)	(180)
Less interest receivable	(11)	(12)
Total statutory income	8,385	8,181
Total expenditure per SoFA	8,334	8,436
Less endowment total expenditure	20	-
Total expenditure per above	8,314	8,436

The notes on pages 31 to 55 form part of these financial statements.

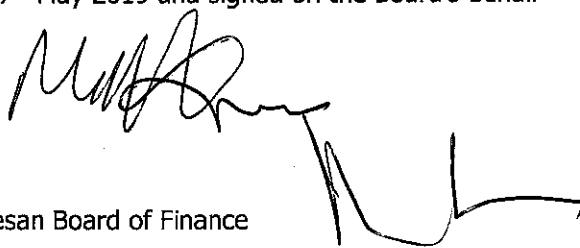
THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Group and Charity Balance Sheet as at 31 December 2018

	Note	Group		Charity	
		2018	2017	2018	2017
		£000	£000	£000	£000
Fixed assets					
Tangible assets	14	60,082	59,919	58,965	58,818
Investments	15	11,638	12,277	12,858	13,497
		71,720	72,196	71,823	72,315
Current assets					
Assets held for resale		1,456	1,631	1,456	1,631
Debtors	16	891	817	925	976
Investments	17	2,528	2,441	2,528	2,441
Cash at bank and in hand		2,304	1,441	1,997	1,064
		7,179	6,330	6,906	6,112
Creditors: amounts falling due within one year	18	(777)	(849)	(702)	(845)
Net current assets		6,402	5,481	6,204	5,267
Total assets less current liabilities		78,122	77,677	78,027	77,582
Creditors: amounts falling due after one year					
Pension scheme liabilities	19	(1,875)	(2,304)	(1,875)	(2,304)
Total net assets		76,247	75,373	76,152	75,278
Capital and reserves					
Unrestricted fund		2,315	2,240	2,421	2,400
Unrestricted fund revaluation reserve		2,004	1,912	2,004	1,912
	21	4,319	4,152	4,425	4,312
Restricted fund		3,285	2,966	3,285	2,966
Restricted fund revaluation reserve		95	103	95	103
	21	3,380	3,069	3,380	3,069
Endowment fund		25,517	25,121	25,446	24,979
Endowment fund revaluation reserve		43,031	43,031	42,901	42,918
	21	68,548	68,152	68,347	67,897
		76,247	75,373	76,152	75,278

Approved by the Board and authorised for issue on 7th May 2019 and signed on the Board's behalf by:

The Rt Revd Dr M R Harrison Bishop of Dunwich
Trustee and Director



Mr S R West
Treasurer of the St Edmundsbury and Ipswich Diocesan Board of Finance

The notes on pages 31 to 55 form part of these financial statements,

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

**Consolidated Cashflow Statement
Year Ended 31 December 2018**

	2018	2017
	£000	£000
Cashflow Statement:		
Cash outflow from operating activities (note a)	(698)	(904)
Cash inflow from investing activities (note b)	1,648	431
Increase/(decrease) in cash and cash equivalents	950	(473)
Net funds at 1 January	3,882	4,355
Net funds at 31 December (note c)	4,832	3,882

Notes to the consolidated cashflow statement

a) Reconciliation of net expenditure before investment gains to net cash outflow from operating activities

Net incoming /(outgoing) resources	567	(63)
Depreciation & impairment	52	98
(Profit) / Loss on disposal of tangible fixed assets	(504)	(179)
Returns on investments	(374)	(434)
(Increase) / Decrease in debtors	(74)	582
(Decrease) / Increase in creditors	(365)	(908)
Net cash outflow from operating activities	(698)	(904)

b) Cashflows from investing activities

Interest received	12	12
Investment income received	362	422
Receipts from sales of tangible fixed assets	1,826	1,149
Payments to acquire tangible fixed assets	(940)	(1,505)
Receipts from sales of investments	388	353
Payments to acquire investments	-	-
Net cash inflow from investing activities	1,648	431

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

c) Analysis of cash and cash equivalents

	January 2018	Cashflow	December 2018
	£000	£000	£000
Cash at bank and in hand	1,441	863	2,304
Current asset investments	2,441	87	2,528
	3,882	950	4,832

Of the total cash and cash equivalent balances of £4,832,000 at 31 December 2018, £4,832,000 is held in restricted and endowment funds, due to property purchases being financed from unrestricted funds in previous years. Plans are being put in place to redress the imbalance.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Statement of Accounting Policies for the year ended 31 December 2018

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, current assets and investment properties which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Charities Act 2011, the Statement of Recommended Practice for Charities (FRS 102), the Companies Act 2006 and applicable accounting standards (FRS 102) except where detailed below. The financial statements have been prepared in pounds sterling and have been presented rounded to the nearest thousand.

The St Edmundsbury and Ipswich Diocesan Board of Finance is a private company limited by guarantee incorporated in England and Wales, and a registered charity. The registered office is St Nicholas Centre, 4 Cutler Street, Ipswich, Suffolk, IP1 1UQ. The charity constitutes a public benefit entity as defined by FRS 102.

(b) Basis of consolidation

The assets, liabilities and results of the trading subsidiary undertaking are included in the consolidated accounts using its audited accounts made up to 31 December 2018. As a consolidated statement of financial activities is published, a separate statement of financial activities for the parent entity is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

The net result for the charitable company (unconsolidated) was a surplus of £874k (2017: surplus of £1,048k).

(c) Going concern

The financial statements are prepared on the basis that the group is a going concern.

(d) Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to it as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- i. Centenary Share is recognised as income of the year in respect of which it is receivable which includes amounts received in respect of the year up to the following 31 January;
- ii. Rent receivable is recognised as income in the period to which it relates;
- iii. Interest and dividends are recognised as income when receivable;
- iv. Grants received, which are subject to pre-conditions for entitlement specified by the donor, which have not been met at the year-end, are included in creditors to be carried forward to the following year;
- v. Parochial fees are recognised as income of the year to which they relate which includes assigned fees received in respect of the year up to the following 31 January;
- vi. Donations are recognised when they are receivable;
- vii. Gains on disposal of fixed assets for the charity's own use (i.e. non-investment assets), are accounted for as a gain in other recognised income and expenditure. Losses on disposal of such assets are accounted for as impairments in other expenditure;
- viii. Stipends fund income. The Stipends fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

year of receipt and the legal restrictions therefore, are satisfied. It is on this basis that the income and the much larger related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

(e) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

- i. Costs of raising funds are those costs incurred in managing the temporary renting out of parsonages and investment properties, those incurred in trading activities for fund raising, i.e. Churchgates 2000 Limited, and the net interest cost of the defined benefit pension scheme;
- ii. Charitable expenditure is analysed between contributions to the Archbishops' Council, the costs of parochial ministry, and other ministry and mission work including education and Church of England schools in the diocese;
- iii. Support costs consist of central management, administration and governance costs. They have been allocated to activity cost categories (excluding payments to the Archbishops' Council and losses on disposal of fixed assets), on a proportional cost basis;
- iv. Grants payable are charged in the year when the offer is conveyed to the recipient or payment is made if there is no offer in advance of payment, except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the charity, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure;
- v. Provisions for liabilities are recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.
- vi. Redundancy and termination benefits are recognised as payments incurred during the year, or where there is certainty that there is no further economic benefit to the DBF, and therefore expensed immediately.

(f) Pension Costs

Defined benefit schemes

The pension schemes for lay employees of the DBF and stipendiary clergy are run by the Church of England Pensions Board and the pension charges calculated on the basis of actuarial advice. The schemes are based on final salary and are not money purchase schemes. The pension costs charged as resources are expended represent the charity's contributions payable in respect of the accounting period, in accordance with FRS 102. Deficit funding for the final salary pension schemes in which the charity participates is accrued at current value in creditors, distinguished between contributions falling due within one year and after more than one year.

Defined contribution schemes

For staff who are members of a defined contribution pension scheme, the costs charged as resources expended for the year are based on the contributions actually payable to the Scheme in the year.

(g) Taxation

The DBF is a charity and is therefore exempt from direct taxation on its investment income.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The charity is unable to reclaim Value Added Tax (VAT), which is included under the various relevant expenditure headings. Churchgates 2000 Limited, a trading subsidiary company included in these consolidated financial statements, is registered for VAT. Its income and expenditure is stated net of VAT.

(h) Tangible fixed assets, assets held for resale and depreciation

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The DBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The trustees perform annual impairment reviews in accordance with the requirements of FRS 102 to ensure that the carrying value is not less than the recoverable amount.

The DBF has followed the requirements of FRS 102 in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The DBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime, legal title and the right to beneficial occupation is vested in the incumbent. The trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at cost.

Benefice, glebe, corporate and other properties are included in the balance sheet at cost. Fixed assets that become surplus to requirement are derecognised and transferred to current assets under properties held for resale. Gain or impairment on transfer is calculated in accordance with FRS 102.

Non-depreciable land and depreciable buildings thereon are combined for the purposes of these financial statements. The Directors consider that no helpful information would be provided by separate valuation and obtaining the information would be costly.

Where the charity is the trustee of buildings of a school which is still open, the risks and rewards of ownership are construed as belonging to the school governors. These are not therefore reflected in these financial statements. The number of school properties not included in these accounts is 49.

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

Land	Nil
Buildings	Nil
Fixtures and Fittings	20% on cost
Motor vehicles	20% on cost
Computers	20% on cost
Photocopiers	Over 3 years
Software	Over 3 years
Photo-Voltaic Panels	Over 25 years

Assets are capitalised if they are to be used for more than one year and cost at least £1,000, except for laptop computers, which are all capitalised for security purposes.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

(i) Redundant churches

These are capitalised at the point they are vested in the DBF at the expected final disposal value available to the DBF.

(j) Investments

Properties held as investments are included in the balance sheet at open market valuation as approximation of fair value. All other fixed asset investments are included in the balance sheet at fair value as at the year-end date. Profit or loss on disposal is calculated in accordance with FRS 102. Current asset investments are stated at their net realisable value. Investment gains or losses are taken to the Statement of Financial Activities.

No depreciation is provided on these assets, which is a departure from the Companies Act 2006. Management has concluded that this departure presents fairly the financial position, performance and cashflows of the investment properties as the departure from the Companies Act follows the accounting treatment required under the SORP (FRS 102) which does not permit charities using FRS 102 to subsequently measure investment properties at their cost less accumulated depreciation and any accumulated impairment losses. Depreciation is not provided on investment property - (SORP FRS102 10.48).

(k) Current asset investments

Liquid resources include all those monies held on deposit funds with withdrawal terms of 30 days or less, other than endowment monies.

(l) Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

(m) Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(n) Operating leases

Rentals paid and received under operating leases are charged to expenditure and income as incurred/due. Rental charges are charged on a straight-line basis over the term of the lease.

(o) Funds structure

Fund balances are split between unrestricted, restricted and endowment funds.

Unrestricted funds are the company's corporate funds. Undesignated general funds are freely available for any purpose within the company's objects, at the discretion of the DBF.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Restricted funds are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

Endowment funds are those held on trust to be retained for the benefit of the DBF as a capital fund. In the case of the Parsonage Houses and Schools endowment funds administered by the DBF, there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. For endowment funds, including the Stipends Capital Fund, where there is no provision for expenditure of capital, these are classified as permanent endowment.

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

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but the total value of the assets held for these trusts is disclosed in the trustees' annual report.

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

(p) Endowment income, expenditure, assets and transfers

New endowment funds received by the DBF, and all movements within the endowment funds are treated as capital additions and movements and excluded from the statutory income and expenditure statement.

The net transfers between endowments and income funds are treated as other comprehensive income/expenditure in the statutory income and expenditure statement.

(q) Redundancies

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the charity are accounted for on an accruals basis and included within employee benefits.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Notes to the Accounts

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2018	Total funds 2017
	£000	£000	£000	£000	£000
1 Centenary Share					
Centenary share requested	7,103	-	-	7,103	6,961
Shortfall in contributions	(750)	-	-	(750)	(700)
	6,353	-	-	6,353	6,261
2 Archbishops' Council					
Selective allocation	177	132	-	309	225
Strategic Capacity Fund	28	-	-	28	58
Strategic Development Fund	4	-	-	4	-
	209	132	-	341	283
3 Other donations					
Allchurches Trust	115	-	-	115	115
Donations	6	93	-	99	79
	121	93	-	214	194
4 Charitable activities					
Statutory fees and chaplaincy income	501	-	-	501	474
Miscellaneous income	68	68	-	136	176
	569	68	-	637	650
5 Other trading activities					
Rental income from parsonage, glebe & Board houses	274	-	-	274	183
St Nicholas Centre	25	-	-	25	23
Other	9	14	-	23	18
	308	14	-	322	224
6 Investments					
Dividends receivable	149	213	-	362	422
Interest receivable	9	2	1	12	12
Rents receivable	143	13	-	156	148
	301	228	1	530	582
7 Other Income					
Gains on disposal of property	-	-	504	504	179
8 Raising funds					
Cost of renting out parsonage, glebe and Board houses	24	-	-	24	82
St Nicholas Centre costs of sales	45	-	-	45	81
Investment property costs	39	-	-	39	24
Net interest cost of clergy pension	35	-	-	35	43
Support costs	18	-	-	18	25
	161	-	-	161	255

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2018 £000	Total funds 2017 £000
9 Charitable activities					
Contributions to the Archbishops' Council:					
Training for ministry	302	-	-	302	305
National Church Responsibilities	217	-	-	217	214
Mission Agency pension contributions	2	-	-	2	2
Retired clergy housing costs (CHARM)	83	-	-	83	80
Pooling of ordinand candidates' costs	230	132	-	362	207
Other	-	-	-	-	-
	834	132	-	966	808
Parochial ministry:					
Ministry stipends & pensions	4,310	-	-	4,310	4,180
Housing: repairs & renewals	368	73	-	441	463
Housing: rates, council tax & administration	369	-	-	369	311
Other expenses	11	8	-	19	52
	5,058	81	-	5,139	5,006
Other ministry & mission:					
Ministry education & training	199	1	-	200	196
Education, youth & children's ministry	122	280	-	402	421
Specialist ministry & church buildings	432	137	20	589	915
	753	418	20	1,191	1,532
Support costs	847	30	-	877	835
	7,492	661	20	8,173	8,181

10 Grants payable

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000
General grants payable			
Institutional grants greater than £1,000 to support the work of those institutions:			
Archbishops' Council	834	132	-
Churches Together in Suffolk	3	-	-
Other Trusts for the purposes detailed in the individual trust documents:			
Diocese of Kagera	-	3	-
Ngara Primary School	-	8	-
Kagera Pastors Children	-	6	-

Contd...

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

<i>Contd...</i>	Unrestricted funds £000	Restricted funds £000	Endowment funds £000
Kagera Christian Training College	-	7	-
Tearfund		10	
Grants to individuals and others less than £1,000	131	5	-
	968	171	-

11 Support costs

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2018 £000	Total funds 2017 £000
Costs of raising funds	18	-	-	18	25
Charitable activities	810	30	-	840	785
Governance Costs	37	-	-	37	50
Total	865	30	-	895	860

Surplus / (deficit) for the year is stated after charging:

	2018 £000	2017 £000
General office costs:		
Depreciation	52	43
Staff costs	368	391
Office running costs	299	226
Professional fees	146	162
Governance costs:		
Audit - Ensors	-	13
Audit - Lovewell Blake	19	17
Other	4	4
Secretariat	15	16
	903	872

12 Remuneration and staff and trustee details

Staff payroll costs during the year were as follows:

	2018 £000	2017 £000
Wages and salaries	1,186	1,235
Social security costs	122	130
Pension costs – regular	63	76
Costs charged to SoFA	1,371	1,441
Pension costs - deficit reduction	9	10
Total payroll costs	1,380	1,451

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

	2018	2017
Resourcing ministry and mission	22.1	17.3
Education	5.8	5.6
Governance	2.2	3.3
Support	6.1	6.9
	36.2	33.1
 The average number of employees during the year was:	38.0	36.1

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

	2018	2017
£60,000 - £70,000	-	3
£70,000 - £80,000	2	-
£80,000 - £90,000	1	-

Pension contributions paid in respect of these staff were **£12,192** (2017: £9,216).

Stipended office holders not employees (full time equivalents)	2018	2017
Archdeacons	2.0	2.0
Parochial clergy	96.7	100.8
Curates	11.5	14.0
	110.2	116.8

At a cost of	£000	£000
Stipends	2,968	3,272
Employer National insurance	238	248
Apprenticeship Levy	14	11
Pension cost current year	793	737
Costs charged to SoFA	4,013	4,268
Pension costs deficit reduction	337	394
Total stipendiary costs	4,350	4,662

Within the year £Nil (2017: £54,084) was made in termination payments, resulting from restructuring.

Key management personnel remuneration

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the diocese. During 2018 they were:

Diocesan Secretary:	Mrs A Hughes
Finance Director	Mr G Peverley
Director of Strategic Planning and Communications:	Mr G Stone
Diocesan Director of Education:	Mrs J Sheat
Diocesan Advisory Committee & Pastoral Committee Secretary:	Mr J Halsall
Head of Stewardship and Generous Giving:	The Revd Canon G Hedger (to 16 March 2018)
Director of Mission and Ministry:	The Revd Canon Dave Gardner
Head of Property	Dawn Gillett

Contd...

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Remuneration, pensions and expenses for these 8 employees (2017: 8) and 0 Consultants (2017: 2) were as follows:

	2018	2017
	£000	£000
Salaries	466	539
Pensions	32	30
	498	569
Expenses	14	14

Trustees' emoluments

None of the directors has received any emoluments from the DBF in respect of services performed as a trustee (2017: £ nil).

Stipends and other benefits received by trustees, in respect of their service/capacities other than trusteeship, include ecclesiastical office holders remunerated through the Church Commissioners at the expense of the board unless indicated:

Office Holder	Trustee	Stipendiary package
Diocesan Bishop	The Rt Revd M Seeley	Funded by the Church Commissioners: <ul style="list-style-type: none"> • £44,380 stipend for 2018/19 (£43,515 2017/18) • Defined benefit pension scheme. • Living accommodation. • Car.
Suffragan Bishop	The Rt Revd Dr M Harrison	Funded by the Church Commissioners: <ul style="list-style-type: none"> • £36,210 stipend for 2018/19 (£36,015 2017/18) • Defined benefit pension scheme. • Living accommodation (funded by DBF). • Car.
Archdeacons	The Ven Dr D Jenkins The Ven I Morgan	<ul style="list-style-type: none"> • £34,873 stipend for 2018/19 (£34,700 2017/18) • Defined benefit pension scheme. • Living accommodation • Car
Parochial ministers	Revd Canon J L Alderton-Ford (retired 12 October 2018) Revd C A Collins (retired 18 September 2018) Revd M Osborne (retired 18 September 2018) Revd S Potter Revd A S Dotchin (from 18 September 2018) Revd M Haworth (from 18 September 2018)	<ul style="list-style-type: none"> • £25,557 stipend for 2018/19 (£25,430 2017/18). • Defined benefit pension scheme. • Living accommodation

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Aggregate totals for expenses for travel and subsistence received by trustees and expenses for travel and subsistence and stipends and pensions in respect of other capacities on behalf of the Board were as follows:

	2018 £000	2017 £000
Expenses - 10 trustees (2017 - 6)	8	6
Stipends and pensions - 8 trustees (2017 - 8)	435	311

13 Transfers between funds

	Un- restricted £000	Restricted £000	Endow't £000	Total 2018 £000
Net value of benefice property sales, purchases & improvements released from the Benefice Fund into the Pastoral Account	-	421	(421)	-
Profit on disposal of properties movement	142	-	(142)	-
Other restricted funds movement	3	(3)	-	-
Past clergy pension cost, the liability for which is in the Stipends Capital Fund, but the cost is borne by the DBF	(302)	-	302	-
Allocation of support costs back to the unrestricted fund	(30)	30	-	-
Churchgates 2000 Limited movement for the year	54	-	(54)	-
Total net transfers	(133)	448	(315)	-

14 Tangible fixed assets

	Freehold land & buildings £000	Fixtures & fittings £000	Motor vehicles £000	Total £000
Cost / Valuation at 1 January 2018	59,684	482	38	60,204
Additions	916	24	-	940
Impairments	-	-	-	-
Transfers (to)/ from current assets at NRV	(725)	-	-	(725)
Revaluations	-	-	-	-
Disposals	-	(13)	-	(13)
Cost / Valuation at 31 December 2018	59,875	493	38	60,406
Accumulated depreciation at 1 January 2018	-	267	18	285
Disposals	-	(13)	-	(13)
Charge for the year	-	44	8	52
Accumulated depreciation at 31 December 2018	-	298	26	324
Net Book Value at 31 December 2018	59,875	195	12	60,082
Net Book Value at 31 December 2017	59,684	215	20	59,919

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Charity	Freehold land & buildings £000	Fixtures & fittings £000	Motor vehicles £000	Total £000
Cost / Valuation at 1 January 2018	58,584	352	38	58,974
Additions	916	6	-	922
Impairments	-	-	-	-
Transfers (to)/ from current assets at NRV	(725)	-	-	(725)
Disposals	-	-	-	-
Cost / Valuation at 31 December 2018	58,775	358	38	59,171
Accumulated depreciation at 1 January 2018	-	138	18	156
Disposals	-	-	-	-
Charge for the year	-	42	8	50
Accumulated depreciation at 31 December 2018	-	180	26	206
Net Book Value at 31 December 2018	58,775	178	12	58,965
Net Book Value at 31 December 2017	58,584	214	20	58,818

Group and charity

None of the above properties are held under leasehold. Included in the above are assets leased to third parties at 31 December 2018: group and company £11.4m (2017: £7.4m).

15 Fixed asset investments

Group	Investment properties £000	Quoted investments £000	Total £000
Valuation at 1 January 2018	2,959	9,318	12,277
Additions	-	-	-
Revaluations	-	(124)	(124)
Disposals	(495)	(20)	(515)
Valuation at 31 December 2018	2,464	9,174	11,638
Historical cost at 31 December 2018	1,781	4,905	6,686

The investment property relates to glebe land and investment properties.

Charity	Investment properties £000	Churchgates 2000 Ltd £000	Quoted investments £000	Total £000
Valuation at 1 January 2018	2,379	1,800	9,318	13,497
Additions	-	-	-	-
Revaluations	-	-	(124)	(124)
Disposals	(495)	-	(20)	(515)
Valuation at 31 December 2018	1,884	1,800	9,174	12,858
Historical cost at 31 December 2018	774	3,400	4,905	9,079

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Investments held

Group	2018 £000	2017 £000
Land & buildings	2,465	2,959
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	7,753	7,917
Central Board of Finance Property Fund	1,369	1,352
Other	51	49
	11,638	12,277

The glebe land and buildings were valued by Messrs Clarke & Simpson Chartered Surveyors as at 31 December 2015 and 11 St Nicholas Street was revalued as at 31 December 2017 by Fenn Wright Chartered Surveyors. The directors believe that the balance sheet valuation is a reasonable estimate of the properties' fair value as at 31 December 2018.

Charity	2018 £000	2017 £000
Land & buildings	1,885	2,379
Shares in Churchgates 2000 Limited	1,800	1,800
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	7,753	7,917
Central Board of Finance Property Fund	1,369	1,352
Other	51	49
	12,858	13,497

Included in investments above is 100% interest in the issued ordinary share capital of Churchgates 2000 Limited. The subsidiary company, company number 03954571, is incorporated and operated in England and Wales. The investment total is £1,800,000 (2017: £1,800,000). Extracts of Churchgates 2000 Limited financial statements for the year ended 31 December 2018 are noted below.

Included in the consolidation:

Undertaking	Principal activity by charity	Share capital	Holding
Churchgates 2000 Limited	See below	1,800,000 Ordinary £1	100%

Churchgates 2000 Limited was set up in 2000 by the charity. The principal activities during the year were those of holding investment properties, whose fixed assets are Churchgates House, which is occupied by the charity, St Nicholas Church and the former Sanctuary Café, and 11 St Nicholas Street, Ipswich, which is leased to a third party. In February 2018, the share capital was reduced from £3.4m to £1.8m.

Churchgates 2000 Limited year to 31 December 2018	2018 £000	2017 £000
Gross income	135	114
Gain on investment property fair value adjustment	-	150
Expenditure	(45)	(83)
Net profit / (loss)	90	181

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Gift aid payable to St Edmundsbury and Ipswich Diocesan Board of Finance	(90)	(181)
Net profit / (loss)	-	-

The assets and liabilities of the subsidiary were:

	2018 £000	2017 £000
Fixed assets	1,697	1,681
Current assets	310	378
Creditors: amounts falling due within one year	(112)	(164)
Net assets	1,895	1,895
Aggregate share capital and reserves	1,895	1,895

Included in Fixed Assets is the Company's Freehold Property, Churchgates House and the St. Nicholas Centre, which was revalued at £1,100,000 as at 31 December 2017 by Fenn Wright, Chartered Surveyors. This property was transferred in 2016 as an Investment Property, following the company ceasing to use this for its own trade. If this investment property was stated on an historical cost basis rather than a fair value basis, the carrying amount would be £1,772,534.

Included in creditors are amounts due to the holding company of £106,484 (2017: included in creditors are amounts due to the holding company of £159,690).

Included in expenditure is £3,600 of fees payable to the auditor of the subsidiary's financial statements.

16 Debtors

	2018		2017	
	Group £000	Charity £000	Group £000	Charity £000
Amounts falling due within one year:				
Trade	122	119	142	141
Amounts owed by group undertaking	-	106	-	160
Collections in progress - share	224	224	256	256
Other debtors	457	388	333	333
Prepayments	56	56	70	70
Accrued income	32	32	15	15
	891	925	816	975
Amounts falling due after one year:				
Other debtors	-	-	1	1
	891	925	817	976

17 Short term investments

	2018 £000	2017 £000
Building Funds	349	348
Diocesan Stipends Capital Account	1,282	1,282
Diocesan Pastoral Account	47	46

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Restricted Income Funds	735	653
Unrestricted Funds	9	7
Schools' Fund	106	105
	2,528	2,441

These funds are all held as cash deposits.

18 Creditors: Amounts falling due within one year

	2018		2017	
	Group £000	Charity £000	Group £000	Charity £000
Trade creditors	150	150	240	240
Taxes and social security	35	35	37	37
Other creditors	102	54	108	108
Accruals and income received in advance	177	150	134	130
Clergy pension scheme liabilities	313	313	330	330
	777	702	849	845

19 Creditors: Amounts falling due after one year

	2018		2017	
	Group £000	Charity £000	Group £000	Charity £000
Clergy pension scheme liabilities 2-5 years	1,250	1,250	1,316	1,316
Clergy pension scheme liabilities after 5 years	625	625	988	988
	1,875	1,875	2,304	2,304

20 Deferred income

	2018 £000	2017 £000
Deferred income brought forward	30	16
Income deferred in year	17	30
Income released in year	(28)	(16)
Deferred income carried forward	19	30

Deferred income represents amounts received in respect of 2018 in respect of rents and subscriptions from schools and in respect of Red Lodge.

21 Funds

Unrestricted funds

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Group

	At 1 January 2018	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 2018
	£000	£000	£000	£000	£000	£000	£000
General reserve	935	7,861	(7,653)	-	(133)	-	1,010
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,504	-	-	92	-	-	1,596
Investment revaluation reserve	408	-	-	-	-	-	408
	4,152	7,861	(7,653)	92	(133)	-	4,319

General reserve

The general reserve represents those assets held by the Board for carrying out its general activities. It provides the assets and liquidity for the DBF to carry out its objectives including statutory compliance, administration of funds and provision of office facilities. The DBF's policy is to maintain a level of cash and liquid assets of not less than six weeks' worth of average costs. This is approximately £962,000.

Fixed asset reserve

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

Charity

	At 1 January 2018	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 2018
	£000	£000	£000	£000	£000	£000	£000
General reserve	1,095	7,726	(7,608)	-	(97)	-	1,116
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,504	-	-	92	-	-	1,596
Investment revaluation reserve	408	-	-	-	-	-	408
	4,312	7,726	(7,608)	92	(97)	-	4,425

Restricted Income Funds

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Group

	At 1 January 2018	Income	Expenditure	Investments	Transfers	At 31 December 2018
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	951	14	(73)	-	421	1,313
Schools fund	1,095	216	(280)	-	-	1,031
Schools fund revaln reserve	103	-	-	(8)	-	95
Other	-	180	(163)	-	(3)	14
Restricted	23	-	-	-	(23)	-
Trusts:						
Overseas	72	24	(35)	-	-	61
Parish	48	9	-	-	-	57
Stipends and pension trusts	24	18	-	-	-	42
Church building trusts	542	48	(40)	(3)	-	547
School trusts	109	18	(40)	-	-	87
Other trusts	102	8	-	-	23	133
Support costs	-	-	(30)	-	30	-
	3,069	535	(661)	(11)	448	3,380

Charity

	At 1 January 2018	Income	Expenditure	Investments	Transfers	At 31 December 2018
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	951	14	(73)	-	421	1,313
Schools fund	1,095	216	(280)	-	-	1,031
Schools fund revaln reserve	103	-	-	(8)	-	95
Other	-	180	(163)	-	(3)	14
Restricted	23	-	-	-	(23)	-
Trusts:						
Overseas	72	24	(35)	-	-	61
Parish	48	9	-	-	-	57
Stipends	24	18	-	-	-	42
Church buildings	542	48	(40)	(3)	-	547
Schools	109	18	(40)	-	-	87
Other	102	8	-	-	23	133
Support costs	-	-	(30)	-	30	-
	3,069	535	(661)	(11)	448	3,380

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Endowment Funds							
Group	At 1 January 2018	Income	Expenditure	Investments	Transfers	Reserve movements	At 31 December 2018
	£000	£000	£000	£000	£000	£000	£000
Expendable endowment:							
Parsonage houses fund	7,085	142	-	-	(563)	-	6,664
Parsonages houses fund							
Revaluation reserve	37,172	-	-	-	-	10	37,182
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	1,214	-	-	(27)	-	-	1,187
	46,239	142	-	(27)	(563)	10	45,801
Permanent endowment:							
Diocesan Stipends fund	14,272	363	-	85	248	208	15,176
Diocesan Stipends fund							
Revaluation reserve	4,662	-	-	-	-	-	4,662
Ordination trusts	31	-	-	(1)	-	-	30
Parish trusts	307	-	-	(21)	-	-	286
Stipend and pension trusts	635	-	-	(3)	-	-	632
Church building trusts	1,212	-	-	(13)	-	-	1,199
School trusts	536	-	(20)	(8)	-	-	508
Other trusts	258	-	-	(4)	-	-	254
	21,913	363	(20)	35	248	208	22,747
	68,152	505	(20)	8	(315)	218	68,548

Charity

	At 1 January 2018	Income	Expenditure	Investments	Transfers	Reserve movements	At 31 December 2018
	£000	£000	£000	£000	£000	£000	£000
Expendable endowment:							
Parsonage houses fund	7,085	142	-	-	(563)	-	6,664
Parsonages houses fund							
Revaluation reserve	37,172	-	-	-	-	10	37,182
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	1,214	-	-	(27)	-	-	1,187
	46,239	142	-	(27)	(563)	10	45,801
Permanent endowment:							
Diocesan Stipends fund	14,147	363	-	85	248	262	15,105
Diocesan Stipends fund							
Revaluation reserve	4,532	-	-	-	-	-	4,532
Ordination trusts	31	-	-	(1)	-	-	30
Parish trusts	307	-	-	(21)	-	-	286
Stipend and pension trusts	635	-	-	(3)	-	-	632
Church building trusts	1,212	-	-	(13)	-	-	1,199
School trusts	536	-	(20)	(8)	-	-	508
Other trusts	258	-	-	(4)	-	-	254
	21,658	363	(20)	35	248	262	22,546
	67,897	505	(20)	8	(315)	272	68,347

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Fund	Application /purpose
Diocesan Pastoral Account	
Restricted Income	<p>These funds arise from provision of the Mission and Pastoral Measure 2011 and any other money as directed by the Bishop and Diocesan Board of Finance. The funds can be used for the following:</p> <ul style="list-style-type: none">• Costs incurred for the purpose of the Measure or any scheme or order, excepting any salaries or wages.• Costs of disposing of or maintaining houses or churches vested in the Diocesan Board of Finance or Commissioners• For the benefit of another Diocese• Transfer monies surplus to the above to any other fund of the board.
Schools fund	
Restricted Income	<p>Subject to Section 17 of the Education Act 1993 the funds can be used for:</p> <ul style="list-style-type: none">• The purchase, construction, maintenance and improvement of any school or teacher's house in the relevant area• The provision of advice, guidance and resources for the management of schools in the area• Inspection of relevant schools in the area
Expendable endowment	<p>This fund is comprised of the sale proceeds of redundant Church of England school premises, teachers' houses and associated endowments which have been vested in the Board of Finance by Orders under the Education Acts 1994 and 1973.</p> <p>The use of the fund is restricted under Section 17 of the Education Act 1993.</p>
Restricted Income	<p>Sundry receipts for specific purposes of the Board of Finance and Diocesan activities.</p>
Trusts	
Ordination trust	<p>To defray general and specific costs of ordinands' training and expenses.</p>
Overseas trusts	<p>To assist with mission in Rwanda and the Diocese of Kagera.</p>
Parish trusts	<p>To defray various costs in specific parishes. These are included in the diocesan accounts as the Board of Finance is the trustee responsible for the management of the assets in addition to being the custodian trustee.</p>
Stipends and pension trusts	<p>For the augmentation of particular benefices and stipends in general.</p>
Church building trusts	<p>For the maintenance of churches in the Diocese.</p>
Schools trusts	<p>For the use of specific schools as directed by those school governors.</p>
Other trusts	<p>Sundry trusts for various purposes of the Board of Finance and diocesan mission.</p>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Diocesan Stipends Fund

Restricted Income

Subject to any charges imposed by the Scheme or Order the fund shall be applied to:

- Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese
- Meet expenses incurred in repairing and maintaining parsonage houses
- Paying secondary class 1 contributions in respect of ministers not employed under a contract of service
- Defray sequestrators' expenses

Restricted monies credited to the DSF Income accounts are supplemented by unrestricted monies which form the majority of monies credited to the account.

Permanent Endowment

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

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

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

Parsonage Houses Fund

Expendable Endowment

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

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

22 Pension Funds

Defined Benefit Scheme – Church Workers

The DBF participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2018: £63,000, 2017: £76,000)

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, The St Edmundsbury and Ipswich Diocesan Board of Finance could become responsible for paying a share of that employer's pension liabilities.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Defined Benefit Scheme – Clergy

The DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating employer and other participating employers in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2018: £793,000 (2017: £737,000)), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £937,000 for 2018 (2017: £802,000).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2015. A valuation at 31 December 2018 is currently underway, but the results of this are yet to be determined. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030; and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long-term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the contribution rates (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2016 to December 2017	January 2018 to December 2025
Deficit repair contributions	14.1%	11.9%

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The deficit recovery contributions under the recovery plan in force as at 31 December 2016, 31 December 2017 and 31 December 2018 were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2018	2017
Balance sheet liability at 1 January	2,634,000	3,060,000
Deficit contribution paid	(337,000)	(404,000)
Interest cost (recognised in SoFA)	35,000	43,000
Remaining change to the balance sheet liability* (recognised in SoFA)	(144,000)	(65,000)
Balance sheet liability at 31 December	2,188,000	2,634,000

* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2018	December 2017	December 2016
Discount rate	2.1% pa	1.4% pa	1.5% pa
Price inflation	3.1% pa	3.0% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.5% pa	1.6% pa

The legal structure of the scheme is such that if another employer fails, the DBF could become responsible for paying a share of that Responsible Body's pension liabilities.

Defined Contribution scheme – employee and NEST

From 1 February 2017, the DBF has implemented a defined contribution scheme for lay staff, for money purchase arrangements with the Church Workers Pension Fund. The DBF contributes 5% based on salary as well as a 3% minimum contribution from the employee.

The DBF also holds a NEST scheme to fulfil any obligations under auto-enrolment. £Nil contributions were made during the year.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Defined Contribution scheme – clergy (pre-1998)

The DBF has a defined contributions scheme relating to the pension arrangements for clergy before 1998. The scheme currently has 37 members and is an occupational fully paid up scheme with no contributions since 1 April 1985. The scheme is managed on behalf of the DBF by Barnett Waddingham LLP and the custodians are One Family.

23 Capital

The company has no share capital being limited by guarantee. The maximum number of members is restricted to 75 by the articles of association and each member's potential liability under guarantee is £1.

The company has obtained the consent of the Registrar of Companies to be exempt from the requirement to use the word Limited in its name.

24 Analysis of net assets between funds

Group	Unrestricted £000	Restricted £000	Endowments £000	Total £000
Fixed assets				
Tangible assets	2,486	-	57,596	60,082
Investments	1,529	750	9,359	11,638
	4,015	750	66,955	71,720
Current assets				
Assets for resale	315	-	1,141	1,456
Debtors	474	414	3	891
Investments	9	888	1,631	2,528
Cash at bank and in hand	(187)	1,479	1,012	2,304
	611	2,781	3,787	7,179
Creditors < 1 year	(307)	(151)	(319)	(777)
Net current assets	304	2,630	3,468	6,402
Total assets less current liabilities	4,319	3,380	70,423	78,122
Creditors > 1 year				
Pension scheme liabilities	-	-	(1,875)	(1,875)
Total net assets	4,319	3,380	68,548	76,247

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Charity

	Unrestricted £000	Restricted £000	Endowments £000	Total £000
Fixed assets				
Tangible assets	2,486	-	56,479	58,965
Investments	1,529	750	10,579	12,858
	4,015	750	67,058	71,823
Current assets				
Assets for resale	315	-	1,141	1,456
Debtors	511	414	-	925
Investments	9	888	1,631	2,528
Cash at bank and in hand	(187)	1,479	705	1,997
	648	2,781	3,477	6,906
Creditors < 1 year	(238)	(151)	(313)	(702)
Net current assets	410	2,630	3,164	6,204
Total assets less current liabilities	4,425	3,380	70,222	78,027
Creditors > 1 year				
Pension scheme liabilities	-	-	(1,875)	(1,875)
Total net assets	4,425	3,380	68,347	76,152

25 Custodian trusteeship

The company acts as custodian trustee for a variety of trusts including those falling under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Tithe Act 1936. The assets are mainly held in Central Board of Finance Investments and are separate to those of the Board and not included in these accounts. At 31 December 2018, the market value of these trust investments was £2.8m (2017: £2.9m). The trustees are also custodian trustees in relation to PCC property.

The company also holds various devolved formula capital balances on behalf of church schools. These funds are used for capital projects with which the Board of Education assists. The funds remain under the control of the school concerned and are not included in these accounts. At 31 December 2018, the total funds held on deposit were £0.3m (2017: £0.3m).

26 Redundant churches

When a church becomes redundant, the obligation to maintain, 'wind and weatherproof' and dispose of the church falls on the DBF.

At the year end, the following churches are the responsibility of the DBF:

1. Santon Warren – leased
2. Southolt St Margaret – leased
3. Wangford St Denys – leased
4. Trimley St Mary – leased (from 28 January 2019)

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

27 Schools fund properties

The schools fund contributes to the construction of new school buildings, which are conveyed in part to the Board. There is no ongoing liability or income in relation to this expenditure. On closure of the school concerned, and at the discretion of the Charity Commissioners, a proportion of the proceeds may be returned to the Board. No provision has been made for this potential income.

28 Operating lease commitments

Total commitments under non-cancellable operating leases are as follows:

	2018	2017
	£000	£000
Land and buildings where the lease expires:		
Group		
Within one year of the balance sheet date	3	5
In the second to fifth years of the balance sheet date	13	-
Later than five years	1	-
	17	5
Operating leases recognised as an expense (group)	8	8

Total commitments under non-cancellable operating leases are as follows:

	2018	2017
	£000	£000
Land and buildings where the lease expires:		
Company		
Within one year of the balance sheet date	65	67
In the second to fifth years of the balance sheet date	261	248
Later than five years	305	367
	631	682

29 Related party transactions

Due to the nature of the charitable company's and group's operations and the composition of the board of trustees, transactions will take place with organisations in which a trustee will have an interest. All transactions involving trustees are conducted in accordance with the company's normal purchasing procedures.

The following types of transactions are likely to affect most trustees and are not disclosed in the detailed list following:

- Amounts already disclosed under trustee emoluments
- Elix grants to parishes
- Centenary share receipts from parishes
- Purchase of parish requisites and subscriptions to the East Anglican magazine
- Parochial fees due to the DBF
- Transactions where the trustee cannot be held to control the transacting organisation
- Subscriptions to Church Schools

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Transactions identified other than those described above include:

Trustee	Relationship and Related Party	Transaction
The Rt Revd M Seeley Bishop of St Edmundsbury and Ipswich	Bishop of St Edmundsbury and Ipswich	£66,153 (2017: £4,666) received by the DBF for administrative support and computer support services.
The Rt Revd M Seeley Bishop of St Edmundsbury and Ipswich, The Ven Dr D Jenkins, The Ven I Morgan	Trustees of Suffolk Clergy Charity	£55 (2017: £1,000) paid to the DBF for administrative support and postage costs.
The Ven I Morgan	Trustee of Elizabeth Walters Charity	£3,000 (2017: £Nil) paid to the DBF for support towards Suffolk Show costs
The Very Revd J P Hawes	Trustee of the Cathedral	£24,092 (2017: £25,720) paid by the cathedral to the DBF for recharged staff and support costs.
The Rt Revd G Knowles	Trustee of Allchurches Trust	Paid from The Allchurches Trust as a donation towards Mission £60,000 (2017: £60,000)
The Revd R Hinsley	Director of St Edmundsbury and Ipswich Multi Academy Trust	£149,740 from the DBF grant (to be paid over 3 years from 2015).
Mr I Wigston	Director of Brightfield Consulting Ltd	£Nil (2017: £2,000) for Psychometric profiling and coaching
Mrs J A Sheat	Trustee of Keswick Hall Trust	£60,000 (2017: £60,000) for grant towards schools' advisor post
Mr D A J Ball	Trustee of Westcott House	£13,662 for tuition fees from 18 th September

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

Trustee / Manager	Relationship and Related Party	2018 £	2017 £
The Ven Dr D H Jenkins	Expenses	(90)	(121)
The Revd R Hinsley	St Edmundsbury MAT Director	(50,004)	(50,004)
The Rt Revd M Seeley	Bishop's Office	29,632	29,625
The Rt Revd J Hawes	The Cathedral Office	2,055	(1,748)

Some trustees will attend or have membership of the various National Church Institutions through the General Synod, the Archbishops' Council, the Church Commissioners, the Central Board of Finance, the Church of England Pensions Board and other organisations related thereto.

In particular, it should be noted that funds are transferred between the Board of Finance and the Church Commissioners both in relation to the grants from the Commissioners to support the work of the Diocese and contributions towards central costs.

The financial statements of the subsidiary company are included within the consolidated financial statements. Advantage has therefore been taken of disclosure exemptions available under FRS 102.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

30. Financial Instruments

The carrying amounts of the charity's financial instruments are as follows:

	Group	2018	Group	2017
	£000	Charity	£000	Charity
		£000		£000
<i>Financial Assets</i>				
Measured at Fair Value through net income/expenditure:				
Fixed asset listed investments (note 15)	9,174	9,174	9,318	9,318
Debt instruments measured at amortised cost:				
Trade debtors (note 16)	122	119	142	141
Amounts owed by group undertakings (note 16)	-	106	-	160
Other debtors (note 16)	457	388	333	333
Accrued Income (note 16)	32	32	15	15
	611	645	490	649
Equity instruments measured at cost less impairment:				
Current asset unlisted investments (note 17)	2,528	2,528	2,441	2,441
<i>Financial Liabilities</i>				
Measured at amortised cost:				
Trade creditors (note 18)	150	150	240	240
Amounts owed to group undertakings (note 18)	-	-	-	-
Other creditors (note 18)	102	54	108	108
Accruals (note 18)	177	150	134	130
	429	354	482	478

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

31. Prior year comparative consolidated SOFA

		Unrestricted Funds	Restricted Funds	Endowed Funds	Total Funds 2017
	Note	£000	£000	£000	£000
Income and endowments from:					
Donations and legacies					
Centenary share	1	6,261	-	-	6,261
Archbishops' Council	2	228	55	-	283
Other donations	3	100	94	-	194
Charitable activities	4	581	69	-	650
Other trading activities	5	223	1	-	224
Investments	6	266	315	1	582
Other Income	7	-	-	179	179
Total income		7,659	534	180	8,373
Expenditure on:					
Raising funds	8	255	-	-	255
Charitable activities	9	7,082	1,099	-	8,181
Total expenditure		7,337	1,099	-	8,436
Net Income / (expenditure) before investment gains					
		322	(565)	180	(63)
Net gains on investments		-	55	632	687
Net income / (expenditure)		322	(510)	812	624
Transfers between funds	13	(471)	173	298	-
Other recognised gains and (losses):					
(Loss)/Gains on reclassification of fixed assets					
		85	-	274	359
Actuarial gains on defined benefit pension schemes	22	-	-	65	65
Net movement in funds		(64)	(337)	1,449	1,048
Reconciliation of funds:					
Total funds at 1 January 2017		4,216	3,406	66,703	74,325
Total funds at 31 December 2017		4,152	3,069	68,152	75,373