

**COVENTRY DIOCESAN BOARD  
OF FINANCE LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
for the year ended 31 December 2018**



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

# **COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

### **for the year ended 31 December 2018**

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

The Diocese of Coventry is one of 42 dioceses in the Church of England. Re-founded in 1918 but with a history dating back to 658, the diocese has an overall population of approximately 900,000 and covers an area of just under 700 square miles, covering Coventry, most of Warwickshire and a small part of Solihull. The diocese is sub-divided into 11 areas called deaneries and, overall, includes 200 parishes. Some parishes have more than one church - the diocese has 238 churches open for public worship. The diocese has one Cathedral - The Cathedral Church of St Michael, Coventry.

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

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

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# **COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**

## **CHAIR'S REPORT**

### **for the year ended 31 December 2018**

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It is with great pleasure that I once again report of the work of the Coventry Diocesan Board of Finance. 2018 has been an outstanding year filled with hope and promise for the future.

We have been building up to 2018, our centenary year, over the last three years, during which we have prayed for and celebrated the work of the diocese across the three centenary themes of Reconciliation, Renewal and Generous Relationships. The highlights of this celebration came together in May when we welcomed the Most Revd. Justin Welby, Archbishop of Canterbury, to the diocese to take part in the Diocesan Centenary Festival. This was the culmination of a five day visit that took him the length and breadth of the diocese meeting with, talking to and praying with many church communities, representatives from our schools, staff and pupils, the cathedral and chaplaincies as well as those serving the community in industry and the arts. In November we came together again, from all over the diocese, gathering in the Cathedral for a fantastic Centenary Conference entitled "Into a Shared Future".

Alongside our centenary celebration, in 2018 we have continued to develop and deliver our Whole Diocese Strategy. The Acceler8 project passed the half way point in its five year funding received from the Church Commissioners, which has enabled the DBF to employ Healthy Churches Mentors and a team of 20s- 30s Development Leaders working to improve the health of our churches and engage with and bring to faith young people across the diocese. In 2018 the project surpassed its target for churches engaging in the programme and continues to see an increasing number of young people come to faith. Of particular note is the increase in the number of young people entering the discernment process.

Our Serving Christ project completed its first full year, with all six learning mentors in place and now building relationships and reaching out to support the training and development of lay people across the diocese, helping them live out whole life Christian discipleship. It has been a great pleasure for me to see the vibrancy and passion of the young people who have joined the staff of the DBF to deliver these projects, yet another thing to celebrate in this centenary year.

In 2018 the DBF made significant grants to both the Cathedral, to support the removal of admission charges, and the DBE to enable it to, amongst other things, increase its school improvement offer. I am delighted to report that both these grants have resulted in significant success. The number of visitors to the Cathedral since the charges were removed in May has increased by almost 50% on the previous year. The level of engagement of church schools with the DBE's support programme has also increased.

As I have reported before, however, none of this work would be possible without the continuing careful stewardship of our finances and resources. I remain indebted to the faithful people of the diocese who continue to contribute through Parish Share to the work of the DBF in supporting the mission of our diocese. In 2018 Parish Share was once again slightly up on 2017, but sustaining this level of giving to meet existing costs and also to support our ambitious programme for growth remains very much on my mind. To this end in 2018 work commenced on our Generous Giving project encouraging members of the church to sustain and increase their commitment through giving. This work has been headed up by our new Director of Finance, Julie Bellamy, who joined us in August and to whom I am really grateful for her dedication and attention to this essential and challenging role.

As ever in closing I want to once again extend my heartfelt thanks to everyone who makes the work of the DBF both possible and worthwhile; to all the staff in the Diocesan Offices and across the diocese, to our clergy, both stipendiary and self-supporting, to licensed lay-workers and to the hundreds of volunteers for their hard work over the past year. Thank you.



**Canon Ian Francis**  
Chair of Coventry Diocesan Board of Finance Limited  
14 May 2019

# **COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**

## **TRUSTEES' AND DIRECTORS' REPORT**

### **for the year ended 31 December 2018**

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The trustees, who are also directors for the purposes of company law, present their combined Trustees' Report and Directors' Report, together with the audited financial statements, for the year ended 31 December 2018. The Trustees' and Directors' Report is presented in sections as follows:

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

Section 2: Governance Report

Section 3: Trustees' and Directors' Report Approval

#### **SECTION 1: STRATEGIC REPORT**

##### **1.1 OBJECTIVES AND ACTIVITIES**

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

The mission purpose of the Diocese of Coventry is "worshipping God, making new disciples and transforming communities." With an emphasis on reconciliation, Bishop Christopher has described the working out of this statement across the diocese as seeing:

"The reconciling love of God in Jesus Christ manifested in Christian Communities that worship God, make new disciples and transform the communities around them."

To achieve this and associated church growth, the diocese has already agreed a strategy which focuses on the development of the 8 Essential Qualities (8EQ's), identified by Natural Church Development (NCD) principles, across all aspects of church and diocesan life. NCD have identified that where all of the 8EQ's are strong in churches and worshipping communities, they will become healthier, flourish, and grow.

The diocese reaches out to all the people of Warwickshire and Coventry in its Mission Purpose through a number of bodies and organisations, not just churches. Whole Diocese is therefore an integrated strategy for the diocese which, while recognising the individual distinctiveness of each member of the diocesan family, has identified a number of priorities which will form the focus for the allocation of diocesan resources including, people, money and prayer.

The Bishop's Council has endorsed these six shared objectives:

- Making the gospel known throughout the diocese so people become followers of Christ.
- Strengthening the health of churches and organisations across the diocese in the 8 Essential Qualities identified by NCD.
- Supporting the well-being and flourishing of clergy and lay people across the diocese.
- Equipping the whole diocese for the work of reconciliation.
- Promoting the life-long Christian learning and education across the diocese.
- Delivering positive community transformation.

In its work towards these objectives the Bishop's Council has endorsed two priority themes for particular emphasis; engaging with people with black, Asian and minority ethnic heritage (BAME) and a focus on children's and young people's spirituality and discipleship.

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

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

##### **Public benefit**

The trustees are confident that by promoting the work of the Church of England in the Diocese of Coventry the DBF helps to promote the whole mission of the Church of England - pastoral, evangelistic, social, and ecumenical - both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

**COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**  
**TRUSTEES' AND DIRECTORS' REPORT**  
**for the year ended 31 December 2018 (continued)**

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

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

**1.2 PRINCIPAL RISKS**

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

<b>Risk</b>	<b>Mitigations</b>
That the collection of parish share is insufficient to meet the operational requirements of the diocese	The Deanery Share system for allocating parish share takes account of affordability of parishes to pay. Collection of parish share is kept under regular review by the Diocesan Finance Group. Budgets are reviewed to identify activities linked to discretionary spending that can be stopped to ensure a break even position is maintained.
That pension contributions rise as a result of a funding gap in the defined benefit Church of England clergy pension scheme	The funding of the Church of England clergy pension scheme and any changes in contribution levels required are kept under review primarily by the Church of England Pensions Board, but also by the trustees of the Coventry Diocesan Board of Finance.
Of a serious safeguarding failure with respect to a child or a vulnerable adult.	Employment of a full time Diocesan Safeguarding Adviser. Safeguarding team who provide support and policy guidance to PCCs. Delivery of a diocesan wide safeguarding training programme.

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

**1.3 ACHIEVEMENTS AND PERFORMANCE**

**Making the gospel known throughout the Diocese so people become followers of Christ**

The focus of this shared objective is to ensure that all churches increase their non-church contacts and relationships and ensure that there are processes in place across the diocese to help people explore the Christian faith, come to faith and be disciples in the Christian faith. Led by our ordained clergy this work has been supported by our Healthy Churches Development Mentors and Need Orientated Outreach Learning Mentor.

**Increase in 20s-30s age range within the churches of the diocese**

The team of lay and clergy continue to work with 20s to 30s across the diocese. During 2018 there have been 14 young people that have entered the vocations process (2017:16) and over the period of the programme 570 new disciples have come to faith in this age range.

**Support for Pioneer Churches in seeking to make new disciples**

The diocese has supported a number of pioneer churches including St Mark's Coventry, St Clare's at the Cathedral, St Gabriel's, Houlton and Urban Hope. Following the establishment of St Mark's Coventry, the congregation has reached 250, with 10 students being brought to faith in the year. There was an expectation that missional and social outreach projects would serve communities near St Mark's; this development has taken longer than expected with plans recently being considered by the PCC.

**Working with the Cathedral**

The DBF has supported the Cathedral in its work to help make the gospel known throughout the diocese through the provision of grant funding to support the removal of admission charges, the appointment of a Chaplain Missioner based in the Cathedral and the establishment of a pioneer church, St Clare's.

# **COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**

## **TRUSTEES' AND DIRECTORS' REPORT**

### **for the year ended 31 December 2018 (continued)**

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#### **Strengthening the health of churches and organisations across the diocese in the 8 Essential Qualities identified by NCD (Natural Church Development)**

This shared objective supports the aim for churches across the diocese to grow in quality, with the hope and expectation supported by NCD statistics that this will lead to numerical growth. NCD statistics suggest the numerical growth tends to occur after the third cycle of survey improvement.

The number of parishes engaging in the diocesan process for developing the eight quality characteristics identified as essential for healthy growing churches has increased during the year, supported by a Healthy Churches Development Mentor and a half-time Healthy Church Mentor employed by the DBF, an expert consultant engaged part-time and a team of volunteer mentors. By the end of the year 79% (2017: 75%) of churches were engaged with the process and a small number of churches have now completed their fourth survey. The range of parishes involved is comprehensive - from small rural communities through to large city churches, evangelical to liberal catholic, and the Cathedral. Positive experiences have been reported across the board. NCD survey results have continued to be used in Parish Profiles as part of the clergy appointments process which continues to help with the appointment of clergy suited to parish needs. In 48% of surveys in the Diocese, Passionate spirituality is measured as the weakest essential quality, and the Diocesan Training Partnership has increased its provision of training in areas which may help churches to address this significant obstacle to growth.

By the year end, 76% of churches in the Diocese that had completed two or more surveys were in a measurably healthier place than two years previously. The data suggests that the health across all eight essential qualities across the Diocese as a whole is not yet at a high enough level to bring about consistent long term growth. However, there are early indications that attention to the eight essential quality characteristics does improve growth potential and some churches are starting to be at the level where consistent long term growth can be expected.

#### **Supporting the wellbeing and flourishing of clergy and laypeople across the diocese**

This shared objective seeks to develop a comprehensive range of support and development opportunities for clergy and laity which promote and support good physical and mental health. The Bishop of Warwick supported by the Archdeacon Pastor is leading on the delivery of this objective. Since joining the diocese in March last year the Archdeacon Pastor has put in place a rolling annual programme to visit all clergy across the diocese.

The Serving Christ team has focussed on the delivery of a lay training and mentoring programme and one or more of the learning mentors has worked with 155 churches across the diocese in 2018. Plans are currently being developed for the Equip Hub, an online learning platform to complement the learning mentors' face to face training and it is expected that this will be launched in 2019.

The vocations team have continued their valuable work supporting people explore their own vocation including developing a new 5 week course called "Mission, ministry and me" which was launched in January 2019. During 2018, 26 people were recommended into the discernment process and there were 6 recommendations into ordination training at Bishop's Advisory Panels.

#### **Equipping the whole diocese for the work of reconciliation**

This shared objective is led on by the Dean of Coventry Cathedral and his leadership team. The initiatives include strengthening reconciliation ministry across the diocese and establishing the Cathedral as a resource for the diocese especially in reconciliation, welcome and worship. They continue to work through the Parish Partners to maintain links with churches across the diocese.

#### **Promoting lifelong Christian learning and education across the diocese**

This shared objective is being led by the Diocesan Director of Education and includes elements delivered by the DBF as well as the Diocesan Board of Education (DBE). The DBF is supporting clergy and laity in the exploration of personal spiritual renewal and development through the funding of retreat places, of which 56 clergy and 14 laity were funded in the last year. Additionally the Bishop's Certificate in Discipleship and Mission (BCDM) training has been expanded to support laity in discipleship and mission. The DBE has continued to support Church of England Schools in the diocese in maintaining their Christian distinctiveness and facilitated the delivery of the academisation programme. With the support of the DBF the DBE has also been able to extend its school improvement offer and has increased its contact time with Church of England schools across the diocese.

#### **Delivering positive community transformation**

Within this objective sits our aspirations to promote Eco-Church and registration to become an Eco-diocese happened in 2018. The joint venture with the Church Urban Fund, Together for Change, which works to transform the lives of the most disadvantaged throughout Coventry and Warwickshire has awarded 30 small grants in 2018, and has been supported by the DBF with a grant and HR, Finance and CEO services. The DBF continues to fund chaplaincy services at Warwick University and support services in hospitals, schools, academies, police and prison services, Coventry University and FE colleges and during the coming year is planning to learn from this ministry.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT

### for the year ended 31 December 2018 (continued)

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#### Summary of financial performance

The 2018 operating surplus before investment gains was £106,000 (2017: £139,000). An increase in income from glebe property and investments has enabled the diocese to fund the planned costs associated with the Serving Christ project which had its first full year of operation in 2018.

There was an increase in clergy stipends, clergy housing costs and the cost of clergy appointments as vacancies were filled. During the year additional funds were made available to the clergy housing team so that one off tree works, asbestos surveys and essential urgent upgrades to bathrooms and kitchens could be carried out.

After net gains on investments and transfers to and from other funds, the movement in the General Fund in the year was an inflow of £447,000 (2017: £178,000).

The net movement in designated funds in the year was an increase of £317,000 (2017: £1,108,000), of which £460,000 (2017: £1,305,000) was an increase in the Operational Properties fund as a result of a property purchase. Other designated funds decreased by £143,000 (2017: increased by £197,000), being grant expenditure distributed to the deaneries.

The net movement in restricted funds in the year was an increase of £590,000 (2017: £826,000). Movements included the Pastoral Fund decreasing by £436,000 (2017: decreased by £794,000), with the completion of the purchase of a house in Houlton, Rugby, grant funding of £193,000 for the Acceler8 project, and £173,000 for the Serving Christ project. A new restricted fund was set up in the year with the sale proceeds of Offa House £1,033,000.

Net movements in endowment funds in the year show an increase of £978,000 (2017: £5,128,000). Within this there were gains on revaluation of fixed assets, £277,000, £76,000 loss on revaluation of investments, £522,000 surplus on the sale of investments, and the reduction of the pension deficit £309,000. £2,323,000 of investment income which forms part of the total return on the Diocesan Stipends Fund and was transferred into restricted funds during the year. Note 18 explains the full impact of total return in the year.

The full results for the year are shown on page 15 in the Statement of Financial Activities.

#### Principal funding sources

50% of total income in 2018 came from Parish Share (2017: 46%), 23% from investment income (2017: 17%), 5% from Church Commissioners (2017: 19% which included Serving Christ grant), 22% from other sources (2017: 18%). Other sources of income include: parochial fees from weddings and funerals; rental income from the letting of houses to tenants whilst not occupied by clergy; the sale proceeds from Offa House; restricted income received from The King Henry VIII Endowed Trust, Warwick used to meet costs incurred for activity in the Warwick area mainly the costs of stipends, pensions and housing costs for clergy; and various other grants and donations.

#### Parish Share

Total parish share income received was £5.3m, which is £166,000 more than in 2017. This includes amounts relating to parish share allocated for previous years but excluding amounts received after the 31 January cut-off date and was 99% of the allocation (2017: 98%).

The commitment of parishes to paying the parish share allocated by the Deaneries is high, however some Deaneries are indicating that they may start to struggle to meet future allocations if they continue to rise in the same way as in previous years. As a result during the latter half of 2018 there was a campaign to raise awareness of how generosity through parish share facilitates missional activity and meets the broader missional costs across the diocese.

#### Investment income

Investment income increased to £2,409,000 (2017: £1,935,000). After allowing for Glebe management fees and other Glebe operating costs, net investment income was £2,200,000 (2017: £1,758,000); this is an increase of 25%.

Net investment income from Glebe investment properties was £1,227,000 (2017: £972,000). Other investment income, which includes interest and dividends, increased to £973,000 from £784,000 in 2017 mainly due to an increase in amounts invested following the sale of Glebe land.

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

- CCLA's CBF Church of England Investment Fund: 3.4% (2017: 3.6%)
- CCLA's CBF Church of England Global Equity Income Fund: 3.9% (2017: 4.1%)
- CCLA's CBF Church of England UK Equity Fund: 3.9% (2017: 3.8%)
- Edentree Amity Balanced Fund for Charities: 5.63% (2017: 5.1%)

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<sup>1</sup> Income yields calculated using dividends per share declared during the year and the opening bid value of a share.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT

### for the year ended 31 December 2018 (continued)

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#### **Investment objectives and investments held**

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

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

The total value of investments at 31 December 2018 was £61.3 million (2017: £60.7 million), of which £59.5 million was permanent endowment. Gains realised on the sale of Glebe land were reinvested in a commercial property in Cheltenham and further investments in shares in CCLA funds.

Following the approval of a Total Return approach to investments on the Diocesan Stipends Fund, it was agreed that the income investment returns that would ordinarily be recognised in the 2018 accounts if total return had not been adopted would be recognised as income in the 2018 accounts.

#### **Stipendiary clergy headcount**

The full time equivalent ("FTE") number of office holders in the Diocese who were stipendiary clergy or licensed lay workers in 2018 was 107 (2017: 104). The increase related primarily to clergy in parochial posts where vacancies have been filled during the year. The average number of curates was 19 (2017: 19).

#### **House for Duty clergy headcount**

The average number of office holders in the diocese who were non-stipendiary clergy provided with houses for their office in 2018 was 8 (2017: 9).

#### **Pension schemes**

All stipendiary clergy in the diocese, some clergy employed in central diocesan posts and some licensed lay workers are members of the defined benefit Church of England clergy pension scheme. The contribution for this scheme in the year was £9,460 (2017: £9,334) per full time stipendiary clergy member. If not members of the clergy pension scheme, the DBF's permanent staff are enrolled in the Pension Builder Classic section of the Church Workers Pension Fund. Further details are provided in note 2 to the Financial Statements. DBF staff who are employed on temporary or short term contracts, who have qualifying earnings or the right to opt in, are enrolled in the National Employment Savings Trust ("NEST" - the workplace pension scheme set up by government).

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

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

Diocesan Synod approved a maximum sum to be spent from operating funds in 2019 of £9,269,000. The balance on the General Fund at 31 December 2018 was £2,721,778, which represented 3.5 months' worth of maximum approved spend and is at the top of the policy range. It is anticipated that curate houses will need to be purchased from general funds during the year and thus the maximum reserves cover will not increase further.

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

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

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



# **COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**

## **TRUSTEES' AND DIRECTORS' REPORT**

### **for the year ended 31 December 2018 (continued)**

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#### **1.4 PLANS FOR THE FUTURE and FUTURE COMMITMENTS**

Work this year has been around developing new ways to make the gospel known throughout the diocese so people become followers of Christ. There are two proposed SDF bids being developed to deliver against this strategic objective. A church planting strategy to identify missing and unreached people across the diocese, particularly in high population density areas and a strategy to reach children and young people in the context of their families, linking churches, schools, Cathedral and Chaplaincies.

During 2018 plans for building a new church at Stoke Aldermoor were approved and Bishop's Council agreed to fund this from Lowest Income Community Funding received from the Church Commissioners. The DBF signed a contract to build the church in March 2019 for £621,000.

## **SECTION 2: GOVERNANCE REPORT**

### **2.1 COMPANY LEGAL STATUS**

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

### **2.2 DIOCESAN SYNOD AND DBF MEMBERSHIP**

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

The Diocesan Synod is made up of three Houses, during the year elections were held, and its membership at 31 December 2018:

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

House of Clergy: 50 members, of whom eight were ex officio (the Dean of the Cathedral, two Archdeacons, the chair of the Diocesan Advisory Committee, the chair of the Diocesan Board of Education and the three diocesan clergy General Synod members). The remainder were elected by the houses of clergy of Deanery Synods.

House of Laity: 54 members, of whom six were ex officio (the Chancellor of the Diocese, the chair of the Board of Finance, the three diocesan lay General Synod members) and one was nominated by the Bishop of Coventry. The remainder were elected by the houses of laity of Deanery Synods.

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

Diocesan Synod normally meets three times a year and its functions are to:

- consider matters affecting the Church of England in the diocese;
- act as a forum for debate of Christian opinion on matters of religious or public interest;
- advise the Bishop where requested;
- deal with matters referred by General Synod;
- consider the annual accounts of the DBF;
- consider and approve the DBF's annual budget.

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

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

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

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

- plans the business of the Synod and circulates the agenda and supporting papers for its sessions;
- initiates proposals for action by the Synod and advises it on matters of policy;
- advises the President (the Diocesan Bishop) on any matter;

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT

### for the year ended 31 December 2018 (continued)

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- transacts the business of the Synod when not in session;
- appoints members of committees and nominates individuals for election to committees;
- carries out such functions as the Synod may delegate to it.

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

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

As the trustees and directors of the DBF, the Bishop's Council:

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the DBF's corporate and financial information included on the diocesan website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

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

- 8 ex officio members;
- 15 members elected by the Diocesan Synod (seven clergy and eight lay, in both cases with a minimum of two from each archdeaconry);
- up to 6 nominated members (three may be nominated by the Bishop of Coventry and one may be nominated by each of the Diocesan Advisory Committee, the Parsonages Committee and the Diocesan Board of Education);
- up to 3 members co-opted by the Bishop's Council.

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

During 2018, the Bishop's Council met six times as Bishop's Council and board of trustees and directors. The term of office of the members of Bishop's Council (excluding ex officio members) lasts for three years. A new triennium began on 15 August 2018 and trustee induction and training took place on 9 October 2018.

**COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**  
**TRUSTEES' AND DIRECTORS' REPORT**  
**for the year ended 31 December 2018 (continued)**

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

**EX-OFFICIO**

President	The Rt Revd Dr Christopher Cocksworth	
Bishop of Warwick	The Rt Revd John Stroyan	
Archdeacon Pastor	The Ven Sue Field	from 18 March 2018
Archdeacon Missioner	The Ven Morris Rodham	
Dean of Coventry	The Very Revd John Witcombe	
Chair of the House of Clergy	The Revd Charlotte Gale	
Chair of the House of Laity	Mrs Helen Simmonds	
Chair of the DBF	Canon Ian Francis	

**NOMINATED MEMBERS**

Chair of DAC	Mr Nigel Allcoat	to 31 July 2018
	The Revd Canon Richard Williams	from 1 August 2018
Chair of DBE	The Revd Elaine Scrivens	

**BISHOP'S NOMINEE**

The Revd Clive Hogger	from 17 September 2018
The Revd Kate Massey	re-nominated from 17 September 2018
The Revd Canon Dr Jill Tucker	from 1 August 2018

**ELECTED**

The Revd Graeme Anderson	from 1 August 2018
The Revd Stella Bailey	re-elected from 1 August 2018
The Revd Canon Barbara Clutton	to 31 July 2018
The Revd Dwayne Engh	from 1 August 2018
The Revd Barry Jackson	to 31 July 2018
The Revd Nick Leggett	to 31 July 2018
The Revd Andy March	to 31 July 2018
The Revd Claire McArthur	from 1 August 2018
The Revd Richard Mutter	from 1 August 2018
The Revd Celia Parkes	from 1 August 2018
The Revd Canon Dr David Stone	re-elected from 1 August 2018
The Revd Canon Dr Jill Tucker	to 31 July 2018
Mrs Karen Armbrister	re-elected from 1 August 2018
Mr Chris Baker	re-elected from 1 August 2018
Mr John Franks	from 1 August 2018
Mrs Felicity Hawke	to 31 July 2018
Mrs Jo King	from 1 August 2018
Miss Helen Perryman	to 31 July 2018
Mr Tim Pollard	re-elected from 1 August 2018
Mr Peter Rogers	re-elected from 1 August 2018
Mr David Spiers	from 1 August 2018
Dr Yvonne Warren	re-elected from 1 August 2018
Mr David Wigman	to 31 July 2018

**CO-OPTED MEMBERS**

Mrs Joyce Amos	from 13 April 2019
Mr James Styan Kendall	from 13 April 2019

**2.4 COMMITTEE STRUCTURE**

There are a number of Diocesan committees which advise the DBF. They are:

- the Audit Committee, which considers the appointment of the auditor, the audit fee, the nature and scope of the audit, reviews the annual financial statements prior to submission to Bishop's Council and keeps under review the systems of internal control and risk management;
- the Business Committee, which considers the content of the agendas for Bishop's Council and the Diocesan Synod;

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT

### for the year ended 31 December 2018 (continued)

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- the Conditions of Employment Group, which deals with the terms and conditions of employment, including remuneration, of staff employed by the DBF and annual increases to clergy stipends in line with increases in the cost of living, except the Diocesan Secretary (whose terms and conditions of employment, including remuneration, are reviewed by the Chair of the DBF and the Diocesan Bishop);
- the Diocesan Advisory Committee for the Care of Churches ("the DAC"), which advises on the repair and improvement of places of worship, their contents and churchyards, with a view to the furtherance of the Church's mission and the protection of the nation's heritage;
- the Diocesan Environment Group, which encourages the Diocese in its vocation to care for the earth;
- the Diocesan Finance Group, which monitors the finances of the DBF and advises Bishop's Council on financial matters, in particular the application of the Deanery Share system and matters relating to the Church Fabric Fund;
- the Diocesan Mission Fund Committee, which considers matters relating to the Diocesan Mission Fund, makes recommendations to Bishop's Council and makes decisions on grants of less than £10,000;
- the Glebe Committee, which oversees the management of Diocesan Glebe investments, under the powers laid down in a scheme under the Endowments and Glebe Measure 1976;
- the Investment Sub-Committee, which oversees investment strategy and policy;
- the Parsonages Committee, which considers policy, repairs and improvements in relation to parsonage houses, under powers laid down in a scheme under the Repair of Benefice Buildings Measure 1972.

#### 2.5 DIOCESAN SECRETARY AND STAFF

The Diocesan Secretary, Mrs Ruth Marlow, serves as the Secretary to Diocesan Synod and Bishop's Council and as Chief Executive Officer and Company Secretary of the DBF. The Diocesan Secretary and her staff carry out the day-to-day work of the DBF. They consult regularly with the Chair of the DBF and the various diocesan committees. Whilst senior staff have job titles incorporating the word 'Director' they are not directors of the company for the purposes of company law or trustees of the charity for the purposes of charity law. For information relating to staff headcount and costs, see note 10 to the financial statements.

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

#### 2.6 RELATED PARTIES

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

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

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

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

#### 2.7 OTHER GOVERNANCE MATTERS

##### **Risk management**

The trustees confirm that the risks to which the DBF is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures to manage those and other identified risks have been established and reviewed. The trustees review the risk register at least annually and delegate to the DBF leadership team day to day management of the risks the DBF is exposed to. In addition, the Audit Committee reviews the risk management processes and the risk register at least annually, and reports to the trustees on whether it is satisfied with its findings. Recommendations are made as a result of those findings. The principal risks identified are shown in Section 1.2 of this report.

##### **Valuation of properties in the financial statements**

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

**COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**  
**TRUSTEES' AND DIRECTORS' REPORT**  
**for the year ended 31 December 2018 continued**

**Auditor**

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees and directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

A resolution to reappoint Crowe UK LLP as auditor to the company and to authorise the Board of Directors to fix the auditor's remuneration will be proposed at the Annual General Meeting.

**2.8 REFERENCE AND ADMINISTRATIVE DETAILS**

<i>Registered &amp; Principal Office</i>	Diocesan Offices, 1 Hill Top, Coventry, CV1 5AB
<i>Telephone</i>	024 7652 1200
<i>Website</i>	www.dioceseofcoventry.org
<i>Company registration number</i>	319482 (England and Wales)
<i>Charity registration number</i>	247828 (England)
<i>Company Secretary</i>	Mrs Ruth Marlow
<i>Registrar and solicitors</i>	Mrs Mary Allanson, Rotherham & Co 8 & 9 The Quadrant, Coventry, CV1 2EG
<i>Auditor</i>	Crowe UK LLP Black Country House, Rounds Green Road, Oldbury, B69 2DG
<i>Bankers</i>	Bank of Scotland Pentland House, 8 Lochside Avenue, Edinburgh, EH12 9DJ
<i>Diocesan Surveyors</i>	YMD Boon Ltd York House, Fernie Road, Market Harborough, LE16 7PH
<i>Glebe Agent</i>	Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Insurers</i>	Ecclesiastical Insurance Office plc Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
<i>Investment Managers</i>	CCLA Investment Management Ltd Senator House, 85 Queen Victoria Street, London, EC4V 4ET  Ecclesiastical Investment Management Ltd Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

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

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



**Canon Ian Francis**  
Chair of Coventry Diocesan Board of Finance Limited  
14 May 2019

# **COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**

## **AUDITOR'S REPORT**

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

#### **Opinion**

We have audited the financial statements of Coventry Diocesan Board of Finance Limited for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Statement of Cash flows 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources 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.

#### **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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 inappropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual 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.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## AUDITOR'S REPORT (continued)

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

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' and director's report, which includes the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' and director's report and the strategic report included within the trustees' and director's report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' and director's report or the strategic report included within the trustees' and director's report.

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

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

#### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9 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.

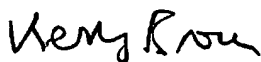
In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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

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 the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Kerry Brown**  
Senior Statutory Auditor  
For and on behalf of  
**Crowe UK LLP**  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

31 May 2019

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2018

	Notes	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
<b>Income and endowments from:</b>							
<b>Donations</b>							
Parish Share	4a	4,950	-	350	-	5,300	5,134
Church Commissioners	4b	33	-	501	-	534	2,206
Other grants and donations	4c	109	2	1,298	-	1,409	444
Charges for charitable activities	4d	340	-	6	-	346	378
Other trading activities	4e	599	-	35	-	634	484
<b>Investments</b>							
Investments income	4f	71	7	8	2,323	2,409	1,935
Total return allocated to income	18	-	-	2,323	(2,323)	-	-
Surplus on sale of assets		-	-	-	-	-	677
<b>Total</b>		<b>6,102</b>	<b>9</b>	<b>4,521</b>	<b>-</b>	<b>10,632</b>	<b>11,258</b>
<b>Expenditure on:</b>							
Raising funds	5a	261	-	209	-	470	380
<b>Charitable activities</b>							
Mission and ministry	5b	2,938	-	2,392	-	5,330	5,014
Support for mission and ministry	5c	2,022	150	195	-	2,367	2,884
Contributions to Archbishops' Council	5d	515	-	-	-	515	479
Diocesan Board of Education	5e	260	-	-	-	260	182
Other	5f	-	-	-	32	32	34
<b>Total</b>		<b>5,996</b>	<b>150</b>	<b>2,796</b>	<b>32</b>	<b>8,974</b>	<b>8,973</b>
<b>Net income/(expenditure) before investment gains</b>		<b>106</b>	<b>(141)</b>	<b>1,725</b>	<b>(32)</b>	<b>1,658</b>	<b>2,285</b>
<b>Net gains/(losses) on investments:</b>							
Net (losses)/gains on revaluation	12	(25)	(2)	-	(76)	(103)	4,955
Surplus on sale of investments		-	-	-	522	522	-
<b>Net income/(expenditure)</b>		<b>81</b>	<b>(143)</b>	<b>1,725</b>	<b>414</b>	<b>2,077</b>	<b>7,240</b>
<b>Transfers between funds</b>	19	<b>366</b>	<b>460</b>	<b>(1,135)</b>	<b>309</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains:</b>							
Gains on revaluation of fixed assets	11	-	-	-	277	277	288
Actuarial losses on defined benefit pension scheme	2	-	-	-	(22)	(22)	(288)
<b>Net movement in funds</b>		<b>447</b>	<b>317</b>	<b>590</b>	<b>978</b>	<b>2,332</b>	<b>7,240</b>
<b>Reconciliation of funds</b>							
Funds at 1 January	16	2,275	10,963	2,881	64,711	80,830	73,590
Net movement in funds		447	317	590	978	2,332	7,240
<b>Funds at 31 December</b>	16	<b>2,722</b>	<b>11,280</b>	<b>3,471</b>	<b>65,689</b>	<b>83,162</b>	<b>80,830</b>



**COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	<b>Total</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>
Total income	<b>10,632</b>	<b>11,258</b>
Total expenditure	<b>8,942</b>	<b>8,939</b>
	<b>1,690</b>	<b>2,319</b>
Net (losses)/gains on investments	<b>(27)</b>	<b>156</b>
<b>Net income for the year before transfers</b>	<b>1,663</b>	<b>2,475</b>
Transfer to endowment funds	<b>(309)</b>	<b>(363)</b>
<b>Net income for the year after transfers</b>	<b>1,354</b>	<b>2,112</b>

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

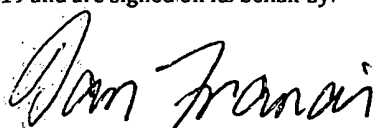
# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## BALANCE SHEET

for the year ended 31 December 2018

	Notes	2018 £000s	2017 £000s
<b>FIXED ASSETS</b>			
Tangible fixed assets	11	18,001	16,677
Fixed asset investments	12	<u>61,332</u>	<u>60,685</u>
		<b>79,333</b>	<b>77,362</b>
<b>CURRENT ASSETS</b>			
Debtors	13	2,777	3,232
Cash and cash equivalents		<u>4,589</u>	<u>4,298</u>
		<b>7,366</b>	<b>7,530</b>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	14	<u>(1,581)</u>	<u>(1,668)</u>
<b>NET CURRENT ASSETS</b>			
		<u><b>5,785</b></u>	<u><b>5,862</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>85,118</b>	<b>83,224</b>
Creditors: amounts falling due after more than one year	15	<u>(1,956)</u>	<u>(2,394)</u>
<b>NET ASSETS</b>			
	20	<u><b>83,162</b></u>	<u><b>80,830</b></u>
<b>FUNDS</b>			
Unrestricted funds:			
General Fund	16	2,722	2,275
Designated funds	16	<u>11,280</u>	<u>10,963</u>
		<b>14,002</b>	<b>13,238</b>
Restricted funds			
Endowment funds	16	<u>3,471</u>	<u>2,881</u>
		<b>65,689</b>	<b>64,711</b>
<b>TOTAL FUNDS</b>			
		<u><b>83,162</b></u>	<u><b>80,830</b></u>

The financial statements on pages 15 to 38 were approved by the Board of Directors and authorised for issue on 14 May 2019 and are signed on its behalf by:



**Canon Ian Francis**  
Chair of Coventry Diocesan Board of Finance Limited

**COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2018**

	2018 £000s	2017 £000s
<b>Cash flows from operating activities:</b>		
<b>Net cash generated by operating activities</b>	<b>1,568</b>	<b>4,325</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of fixed asset properties	-	893
Purchase of fixed assets	(1,049)	(2,099)
Proceeds from sale of investments	1,685	7,297
Purchase of investments	(1,913)	(9,759)
<b>Net cash used by investing activities</b>	<b>(1,277)</b>	<b>(3,668)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>291</b>	<b>657</b>
<b>Cash and cash equivalents at 1 January</b>	<b>4,298</b>	<b>3,641</b>
<b>Cash and cash equivalents at 31 December</b>	<b>4,589</b>	<b>4,298</b>

	2018 £000s	2017 £000s
<b>Analysis of cash and cash equivalents at 31 December</b>		
Cash in hand	916	3,019
Short term deposits (less than 3 months)	3,673	1,279
<b>Total cash and cash equivalents</b>	<b>4,589</b>	<b>4,298</b>

**Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £000s	2017 £000s
<b>Net movement in funds for the year</b>	<b>2,332</b>	<b>7,240</b>
<b>Adjustments for:</b>		
Gains on investments	(419)	(4,955)
Profit on sale of fixed asset properties	-	(677)
Depreciation	2	3
Gains on revaluation of fixed assets	(277)	(288)
Actuarial losses on defined benefit pension scheme	22	288
Unwinding of pension liability discount	32	34
Payment of pension deficit contributions	(309)	(350)
Decrease in debtors for proceeds from sale of investments	-	4,300
Decrease/(increase) in non-investment debtors	455	(1,649)
(Decrease)/increase in creditors	(270)	379
<b>Net cash generated by operating activities</b>	<b>1,568</b>	<b>4,325</b>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2018

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#### 1 Principal accounting policies

##### **Basis of accounting**

The DBF is a charitable company and a public benefit entity. Therefore, the financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (FRS 102), the Companies Act 2006 and the applicable UK accounting standard (FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland). The financial statements have been prepared under the historical cost convention except that fixed asset investments are included at fair value at the balance sheet date. 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.

##### **Income**

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

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

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

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

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

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

Income from legacies is recognised when the DBF has been notified that there is a clear indication of the amount receivable. Donations and similar income are accounted for when received.

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

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

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

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

##### **Expenditure**

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

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

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

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

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

##### ***Governance costs***

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

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

Payments under operating leases are charged against income as incurred.

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

For investments that are not part of the Diocesan Stipends Fund Capital Account, realised gains or losses are recognised in the Statement of Financial Activities when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at the year end.

A total return approach has been adopted for the Diocesan Stipends Fund Capital Account. Part of the unapplied total return will be allocated to income in the year as determined by the Bishop's Council on advice from the Investment Sub-Committee.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

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### 1 Principal accounting policies (continued)

#### Tangible fixed assets

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

Parsonage houses, operational properties and the diocesan offices are held at cost or estimated cost. The cost of extensions which enhance the capital value of buildings is capitalised.

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

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

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

##### *Glebe houses*

Glebe houses are for occupation by clergy and are therefore classified as tangible fixed assets. Glebe houses are those which have been purchased or appropriated from other funds using the Capital Account of the Diocesan Stipends Fund.

##### *Depreciation*

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

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

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

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

#### Financial instruments

##### *Fixed asset investments*

Land and buildings held under the Endowments and Glebe Measure 1976 ("Glebe properties") are included at fair value. Glebe properties which are fixed asset investments are comprised of commercial properties and agricultural properties. Agricultural properties are predominantly land but include some agricultural buildings and residential properties. Glebe properties also include houses for occupation by clergy that are treated as tangible fixed assets (see above).

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

##### *Current assets and liabilities*

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

##### *Cash and cash equivalents*

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

**Pension schemes – see note 2**

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

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### 1 Principal accounting policies (continued)

#### Fund accounting

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

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

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

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

### 2 Pension schemes' accounting policy and significant estimates and judgments

The DBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other two are for lay staff and are separate sections of the Church Workers Pension Fund – one a final salary scheme and the other a deferred annuity scheme. All three of these schemes are multi-employer defined benefit pension schemes for which the DBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. A valuation of each scheme, to determine future contribution levels, is carried out once every three years and the resulting report and recovery plan for any deficit is required to be completed within fifteen months of the valuation date. On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that formerly contracted-out schemes are required to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. Normally the Employer is required to reflect both the backdated and future costs of GMP equalisation arising from this judgment. However, since the DBF participate and are accounting as multi-employer defined benefit pension schemes this is not applicable. Any uplift in liability will be reflected in the financial statements once revised deficit recovery payment plans are issued. The Trustees are aware of the issue and when further information is available they will be considering this at future meetings and decisions will be taken as to any next steps.

#### Accounting policy

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

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

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 2 Pension schemes' accounting policy and significant estimates and judgments (continued)

#### Church of England Funded Pensions Scheme

With effect from 1 January 1998, diocesan clergy became members of the new Church of England Funded Pensions Scheme. To enable this the DBF participates in this scheme and at 31 December 2018 was paying contributions for 118 members (2017: 114 members). The scheme provides benefits based on members' final pensionable stipends and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Pensionable stipends are currently the National Minimum Stipend in the preceding year. Benefits are currently being accrued on the basis of half of the pensionable stipend being paid as the normal pension on reaching the age of 68, or 1.25 times this amount for archdeacons, plus a lump sum normally three times the pension payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 are provided by the Church Commissioners under the previous arrangements. Each participating entity in the scheme pays contributions at a common contribution rate applied to pensionable stipends, which are currently the same as the National Minimum Stipend of the previous year.

The most recent scheme valuation completed was carried out at as 31 December 2015. This revealed a deficit of £236 million, based on assets of £1,308 million and a funding target of £1,544 million, 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, with the balance in return-seeking assets; and
  - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns of 2.6% p.a. on gilts and 4.6% p.a. on equities;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Post-retirement mortality in accordance with 80% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality in line with the CMI 2015 core projections, with a long term annual rate of improvement of 1.5% for females and males. By way of illustration, the assumption for members aged 65 at 31 December 2015 is an expected aged of death of 91.5 for females (2012: 91.9) and 89.4 for males (2012: 89.3).

Following the valuation of the scheme as at 31 December 2015, the contribution rate has continued at 39.9% of pensionable stipends, the same rate as has applied since 1 January 2015. Of this rate (a) 25.8% relates to providing the benefit in relation to ongoing pensionable service until 31 December 2017, increasing to 28.0% from 1 January 2018 and including 1.2% for the day-to-day expenses of running the scheme, and (b) 14.1%, reducing to 11.9% from 1 January 2018, relates to recovery of the deficit over the nine years to 31 December 2025. This means that contributions by the DBF relating to the deficit, based on active members and pensionable stipends as at 31 December 2018, would be £312,000 in 2019 and then continue at that rate until 2025, if there were no changes in membership, pensionable stipends and contribution rates following subsequent valuations of the scheme. At 31 December 2015 there were 8,376 active members in the scheme, and 17,445 in total including deferred members and pensioners and dependants, and an annual reduction of active members by 1.5% p.a. was assumed. The next valuation of the scheme is due to be carried out as at 31 December 2018 and is required to be completed by 31 March 2020.

Church of England Funded Pensions Scheme pension liability movements:	2018	2017	
	£000s	£000s	
Pension liability at 1 January	2,409	2,437	
Deficit contributions paid	(309)	(350)	
Unwinding of pension liability discount	32	34	
Actuarial losses	22	288	
Pension liability at 31 December	<u>2,154</u>	<u>2,409</u>	
Due within one year	360	359	
Due after more than one year	1,794	2,050	
Assumptions used by the Pensions Board to calculate the pension liability:	2018	2017	2016
Discount rate	2.1% p.a.	1.4% p.a.	1.5% p.a.
Price inflation	3.1% p.a.	3.0% p.a.	3.1% p.a.
Increase to total pensionable payroll	1.6% p.a.	1.5% p.a.	1.6% p.a.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 2 Pension schemes' accounting policy and significant estimates and judgments (continued)

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

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2018, the DBF had no active members, and plans not to admit any further Coventry DBF staff to membership of this section of the scheme. Also, three joint workers employed by Leicester Diocesan Board of Finance ("Leicester DBF") were active members of this section of the Church Workers Pension Fund.

The most recent scheme valuation completed was carried out as at 31 December 2016. The DBF paid in full in 2017 its share of the deficit of £54,100, which was based on no active members, one deferred members and its share of the liability for retirement and death benefits. The Leicester Diocesan Board of Finance contribution rate (affecting the cost of joint workers in this section of the Church Workers Pension Fund) effective from 1 April 2015 was 22.0% of salary and is 30.8% of salary from 1 April 2018. A liability of £62,000 (2017: £62,000) has been accrued within Other Accruals for the DBF share of the deficit relating to joint workers in the scheme.

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

The Pension Builder Classic Scheme section of the Church Workers Pension Fund builds an annuity for members for payment from retirement, accumulated from contributions paid and converted into an annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the future investment returns and other factors. There is no sub-division of assets between employers. The expectation is that any future shortfall or surplus in the scheme will result in a curtailment or increase in bonuses declared. At 31 December 2018, the DBF had 43 (2017: 36) active members in the scheme.

A valuation of the scheme is carried out once every three years and considers the funding of the scheme under two measures: on an ongoing basis, allowing for additional returns from equities compared to returns from gilts and for future bonuses in line with inflation; and on a solvency basis, allowing for the cost of winding up and securing the benefits with no future bonuses other than statutory increases for pensions in payment. The most recent scheme valuation completed was carried out as at 31 December 2016, at which date the market value of the assets was £118.4m and there were 6,170 members, comprised of 2,244 active members, 2,024 deferred members and 1,902 pensioner and dependant members. In this valuation, the scheme was shown to have a deficit of £14.2m on an ongoing basis and a deficit of £15.3m on a solvency basis. Based on that valuation the DBF is not currently required to make any deficit recovery contributions.

### 3 Net income

	2018	2017
	£000s	£000s
<b>Net income is stated after charging/(crediting):</b>		
Auditor's remuneration for the audit	15	14
Depreciation	2	3
Hire of office equipment	4	6
Surplus on disposal of tangible fixed assets	-	(677)

### 4 Analysis of income

#### a Parish Share

	General Fund	Designated funds	Restricted funds	Endowment funds	2018 Total	2017 Total
	£000s	£000s	£000s	£000s	£000s	£000s
Parish Share assessed for the year	4,997	-	350	-	5,347	5,227
Other contributions and adjustments	-	-	-	-	-	8
Less shortfall in contributions	(92)	-	-	-	(92)	(120)
Received for the year	4,905	-	350	-	5,255	5,115
Arrears received in respect of previous years	45	-	-	-	45	19
	<b>4,950</b>	<b>-</b>	<b>350</b>	<b>-</b>	<b>5,300</b>	<b>5,134</b>



# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 4 Analysis of income (continued)

#### b Grants from Church Commissioners and Archbishops' Council

This reflects monies from Church Commissioners and Archbishops' Council which are used in the following activities:

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Serving Christ grant	-	-	-	-	-	1,773
Mission to Lowest Income Communities grant	-	-	416	-	416	403
Ordination Training Grant (see note 17)	-	-	85	-	85	-
Contribution to Bishop's Legal costs	33	-	-	-	33	30
	<b>33</b>	<b>-</b>	<b>501</b>	<b>-</b>	<b>534</b>	<b>2,206</b>

#### c Other grants and donations

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Offa House sale proceeds	-	-	1,033	-	1,033	-
King Henry VIII Endowed Trust	-	-	227	-	227	225
Allchurches' Trust	91	-	-	-	91	90
Other grants, donations and similar income	18	2	38	-	58	129
	<b>109</b>	<b>2</b>	<b>1,298</b>	<b>-</b>	<b>1,409</b>	<b>444</b>

#### d Charges for charitable activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Parochial fees	339	-	-	-	339	365
Churches closed for public worship	-	-	6	-	6	11
Contributions to expenditure	1	-	-	-	1	2
	<b>340</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>346</b>	<b>378</b>

#### e Other trading activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Rental income from non-investment properties	350	-	-	-	350	254
Recharged payroll costs	117	-	-	-	117	133
Training	83	-	-	-	83	43
Sundry income	49	-	35	-	84	54
	<b>599</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>634</b>	<b>484</b>

Recharged payroll costs relate to joint workers between Coventry Cathedral and the Diocesan Board of Finance, and to employees working as Bishops' staff paid by Church Commissioners.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 4 Analysis of income (continued)

#### f Investments

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Glebe property income	-	-	-	1,461	1,461	1,148
Unlisted securities	57	4	1	862	924	779
Bank and deposit interest	4	3	4	-	11	4
Other property income	10	-	3	-	13	4
	<b>71</b>	<b>7</b>	<b>8</b>	<b>2,323</b>	<b>2,409</b>	<b>1,935</b>

### 5 Analysis of expenditure

#### a Raising funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Glebe operating costs	-	-	144	-	144	117
Glebe management fees	-	-	65	-	65	60
Parsonage rental costs	49	-	-	-	49	33
Support costs	212	-	-	-	212	170
	<b>261</b>	<b>-</b>	<b>209</b>	<b>-</b>	<b>470</b>	<b>380</b>

#### b Mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Clergy stipends costs (see note 9)	987	-	2,006	-	2,993	2,801
Curates' stipends costs (see note 9)	326	-	359	-	685	655
Clergy housing	1,087	-	27	-	1,114	1,038
Clergy appointment and retirement costs	111	-	-	-	111	156
Staff costs (see note 10)	122	-	-	-	122	119
Fees to retired stipendiary clergy	35	-	-	-	35	55
Other clergy diocesan expenses	82	-	-	-	82	57
Support costs	188	-	-	-	188	133
	<b>2,938</b>	<b>-</b>	<b>2,392</b>	<b>-</b>	<b>5,330</b>	<b>5,014</b>

#### c Support for mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Department costs	231	45	9	-	285	1,004
Staff costs (see note 10)	955	-	14	-	969	-
Grants (see note 7)	266	105	98	-	469	1,101
Churches closed for public worship	-	-	17	-	17	243
Legal costs	46	-	-	-	46	-
New church building	-	-	57	-	57	-
Support costs	524	-	-	-	524	536
	<b>2,022</b>	<b>150</b>	<b>195</b>	<b>-</b>	<b>2,367</b>	<b>2,884</b>

Support for ministry and mission includes the Diocesan Training Partnership, the Acceler8 and Serving Christ projects, and the costs of supporting the joint venture Together For Change.

A new church is being built in Stoke Aldermoor financed by lowest income community grant funding.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 5 Analysis of expenditure (continued)

#### d Contributions to Archbishops' Council

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Training for ministry	241	-	-	-	241	216
National Church	197	-	-	-	197	190
Retired clergy housing & other costs	75	-	-	-	75	71
Mission agencies' pension costs	2	-	-	-	2	2
	<b>515</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>515</b>	<b>479</b>

#### e Diocesan Board of Education

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Grants (see note 7)	216	-	-	-	216	104
Support costs	44	-	-	-	44	78
	<b>260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260</b>	<b>182</b>

The separation of the management and operations of the Diocesan Board of Education from the Diocesan Board of Finance has been completed. The annual grant has been increased in consideration of this.

#### f Other

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s	2017 Total £000s
Unwinding of pension liability discount	-	-	-	32	32	34
	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>32</b>	<b>34</b>

### 6 Analysis and allocation of support costs

	Raising funds £000s	Ministry & mission £000s	Support for ministry & mission £000s	Education £000s	2018 Total £000s	2017 Total £000s
<b>Governance, management &amp; finance</b>						
Staff costs (see note 10)	122	65	217	32	436	427
Other costs	21	19	104	2	146	222
<b>IT &amp; office</b>						
Staff costs (see note 10)	15	75	51	2	143	146
Other costs	54	29	152	8	243	122
	<b>212</b>	<b>188</b>	<b>524</b>	<b>44</b>	<b>968</b>	<b>917</b>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 7 Grants Awarded

	2018 £000s	2017 £000s
<b>To parishes and other organisations in the Diocese</b>		
<i>Mission &amp; ministry</i>		
Diocesan Mission Fund grants to parishes	35	125
20-30s development work	34	14
Mission to Lowest Income Communities grants	3	4
Diocesan centenary grants to parishes	1	1
Bishop's Mission Fund grants to parishes *	(11)	10
St Mark's Coventry	-	339
St Clare's at the Cathedral	-	189
St Mark's, Bilton	-	44
St Mary Magdalene, Chapelfields	-	33
<i>Church land and buildings</i>		
Church Fabric Fund grants for ten churches (2017: nine churches)	33	33
Faculty fees for parishes **	-	18
<i>Other organisations in the Diocese</i>		
Coventry Diocesan Board of Education	160	104
Coventry Cathedral for Open Admission programme	50	132
Coventry Diocesan Board of Education for academisation	40	-
Coventry Diocesan Trustees	-	16
Coventry Cathedral for diocesan centenary	24	-
Coventry Cathedral for diocesan services	23	10
Coventry Diocesan Board of Education for new schools developments	16	-
Coventry Diocesan Board of Education for diocesan centenary	3	-
Together For Change	7	-
Hope Coventry	7	-
Other	2	-
Regional Further Education chaplaincy development	-	16
	<b>427</b>	<b>1,088</b>
<b>To other institutions</b>		
Syrian Orthodox Christian School	23	2
Link Dioceses of Kaduna, Kapsabet and Jerusalem	6	-
	<b>29</b>	<b>2</b>
<b>To individuals</b>		
For support of ordinands in ministerial training	206	89
Other grants to clergy and readers	23	26
	<b>229</b>	<b>115</b>
	<b>685</b>	<b>1,205</b>

\* Bishops Mission Funds are negative in the year as a result of previously awarded grants not being fully utilised

\*\* Faculty fees for parishes were £17,595 in 2018. These were not paid as grants, but directly to the diocesan chancellor

Summarised by fund type:	General	Designated	Restricted	2018	2017
	Fund	funds	funds	Total	Total
	£000s	£000s	£000s	£000s	£000s
Mission and ministry	34	36	(8)	62	759
Church land and buildings	-	33	-	33	51
Other organisations in the Diocese	298	34	-	332	278
Other institutions	-	2	27	29	2
Individuals	150	-	79	229	115
	<b>482</b>	<b>105</b>	<b>98</b>	<b>685</b>	<b>1,205</b>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 8 Trustees' emoluments and expenses

None of the trustees received any emoluments from the DBF for services performed as directors (2017: £nil).

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

Nine trustees received a total of £500 in the year for travel expenses related to activity as trustees of the DBF (2017: seven and £608). Two trustees received a total of £574 in the year for travel and other expenses in connection with their membership of the General Synod of the Church of England, membership of which is not connected with their membership of the Board (2017: two and £1,469). Twenty-one trustees received a total of £566,650 in connection with other offices held in the Diocese (2017: thirteen and £343,326). These amounts were for stipends, accrued pension benefits, housing, expenses and sundry grants for resettlement and ministerial development.

### 9 Clergy headcount and costs

The average full time equivalent number of stipendiary clergy who were office holders in the Diocese was 107 (2017: 104); this included two (2017: two) archdeacons.

	2018	2017
	£000s	£000s
Stipends	2,748	2,614
Social security costs	230	206
Pension contributions	700	636
	3,678	3,456

### 10 Staff headcount and costs

#### a Staff numbers based on headcount

	2018	2017
	Headcount	Headcount
Staff employed directly:		
Mission and ministry	4.4	5.0
Support for mission and ministry	29.5	24.0
Central support	10.9	13.8
	44.8	42.8
Staff employed via third parties		
Support for mission and ministry	1.0	1.0
Central support	4.0	4.0
	49.8	47.8

#### b Staff costs

	2018	2017
	£000s	£000s
Staff employed directly:		
Salaries	1,273	1,102
Social security costs	119	93
Pension contributions	123	116
	1,515	1,311
Staff employed via third parties:		
For service in the year	155	103
	1,670	1,414

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 10 Staff headcount and costs (continued)

There was one employee (2017: two) whose total remuneration in the year was in the band £70,001 to £80,000. None (2017: none) accrued retirement benefits under a defined benefit pension scheme.

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

Clergy and licensed lay workers who are office holders in the Diocese are not employees of the DBF and therefore their costs are shown separately in note 9.

Key management personnel are those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the charity. Remuneration for key management personnel, including employer's national insurance contributions and contributions to the defined benefit pension builder classic section of the church workers' pension scheme, amounted to £346,347 (2017: £333,349).

### 11 Tangible fixed assets

	Parsonages £000s	Glebe houses £000s	Operational properties £000s	Diocesan offices £000s	Office equipment £000s	Total £000s
<b>Cost</b>						
At 1 January 2018	5,677	610	9,536	846	237	16,906
Additions	-	590	459	-	-	1,049
Transfers	207	(207)	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluations	-	277	-	-	-	277
<b>At 31 December 2018</b>	<b>5,884</b>	<b>1,270</b>	<b>9,995</b>	<b>846</b>	<b>237</b>	<b>18,232</b>
<b>Depreciation</b>						
At 1 January 2018	-	-	-	-	229	229
Charge for year	-	-	-	-	2	2
<b>At 31 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231</b>	<b>231</b>
<b>Net book value</b>						
<b>At 31 December 2018</b>	<b>5,884</b>	<b>1,270</b>	<b>9,995</b>	<b>846</b>	<b>6</b>	<b>18,001</b>
At 31 December 2017	5,677	610	9,536	846	8	16,677

All tangible fixed assets were used for direct charitable purposes.

### 12 Fixed asset investments

	Glebe properties £000s	Unlisted investments £000s	Total £000s
Fair value at 1 January 2018	33,277	27,408	60,685
Additions at cost	1,902	11	1,913
Disposals at cost	(1,163)	-	(1,163)
(Losses)/Gains on revaluation	423	(526)	(103)
<b>Fair value at 31 December 2018</b>	<b>34,439</b>	<b>26,893</b>	<b>61,332</b>
Historical cost at 31 December 2018	8,052	22,495	30,547

**COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2018**

**12 Fixed asset investments (continued)**

Investments are held primarily to provide an investment return.

The fair value of Glebe properties was measured following consultation with the DBF's advisers.

Unlisted investments primarily consist of holdings in CBF Church of England funds managed by CCLA Investment Managers Ltd (the CBF Investment, UK Equity and Global Equity Income funds), and in the Edentree (previously called Amity)

Balanced Fund for Charities managed by Ecclesiastical Investment Management Ltd. Unlisted investments also include an investment of £5,000 in the Churches Mutual Credit Union and a residential property of £55,000.

**13 Debtors**

	2018	2017
	£000s	£000s
Glebe agents	142	179
Parish Share	96	160
Parochial fees	-	41
Accrued grant income due within one year	2,082	2,391
Prepayments and accrued other income	395	384
Other debtors	62	77
	<u>2,777</u>	<u>3,232</u>

**14 Creditors: amounts falling due within one year**

	2018	2017
	£000s	£000s
Trade creditors	136	118
Grant payment accruals	533	644
Other accruals	222	132
Deferred income	246	229
Taxation and social security	75	179
Pension contributions payable for the period	9	7
Pension liability (see note 2)	360	359
	<u>1,581</u>	<u>1,668</u>

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

**15 Creditors: amounts falling due after more than one year**

	2018	2017
	£000s	£000s
Pension liability (see note 2)	1,794	2,050
Grant payment accruals	162	344
	<u>1,956</u>	<u>2,394</u>

**COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2018**

**16 Statement of funds**

	At 1 Jan 2018 £000s	Income £000s	Expenditure £000s	Transfers* £000s	Gains and (losses) £000s	At 31 Dec 2018 £000s
<b>GENERAL FUND</b>	<b>2,275</b>	<b>6,102</b>	<b>(5,996)</b>	<b>366</b>	<b>(25)</b>	<b>2,722</b>
<b>DESIGNATED FUNDS</b>						
Operational Properties Fund	10,382	-	-	460	-	10,842
Bishop's Mission Fund	31	2	(7)	-	-	26
Extra Mission and Ministry Support Fund	132	-	-	-	-	132
Diocesan Mission Fund	137	1	(35)	-	-	103
Church Buildings Fund	75	-	(33)	-	-	42
Centenary Events Fund	74	-	(63)	-	-	11
Bishop of Coventry's Link Dioceses Fund	36	2	(12)	-	-	26
Clergy Holidays Fund	96	4	-	-	(2)	98
<b>Total designated funds</b>	<b>10,963</b>	<b>9</b>	<b>(150)</b>	<b>460</b>	<b>(2)</b>	<b>11,280</b>
<b>Total unrestricted funds</b>	<b>13,238</b>	<b>6,111</b>	<b>(6,146)</b>	<b>826</b>	<b>(27)</b>	<b>14,002</b>
<b>RESTRICTED FUNDS</b>						
Pastoral Fund	508	41	(17)	(460)	-	72
Acceler8 Grants Fund	408	-	-	(193)	-	215
Serving Christ Fund	1,754	-	-	(173)	-	1,581
Mission to Lowest Income Communities Fund	44	416	(62)	-	-	398
Church Commissioners' Mission Fund	-	-	11	-	-	11
Warwick 20s-30s Development Worker Fund	1	13	(14)	-	-	-
Offa House Sale Proceeds Fund	-	1,037	-	-	-	1,037
Syrian Orthodox Christian School Fund	19	8	(22)	-	-	5
Syrian Orthodox Christian School Scholarship Fund	3	-	(1)	-	-	2
Companionship Link Funds	2	4	(4)	-	-	2
Retreat Grants Fund	28	-	-	-	-	28
The Reverend George Goode Fund	15	-	-	-	-	15
Ordination Training Grant Fund	-	85	(79)	-	-	6
DC Bonfield Bequest	57	-	-	-	-	57
Ordination Candidates' Fund	-	4	(4)	-	-	-
Archdeacons' Discretionary Fund	39	1	-	-	-	40
Queen Victoria Clergy Fund	3	2	(3)	-	-	2
Diocesan Stipends Fund Income Account	-	23	(2,037)	2,014	-	-
Deanery Share Support Fund	-	350	(350)	-	-	-
Warwick Clergy Stipends & Housing Fund	-	214	(214)	-	-	-
<b>Total restricted funds</b>	<b>2,881</b>	<b>2,198</b>	<b>(2,796)</b>	<b>1,188</b>	<b>-</b>	<b>3,471</b>
<b>ENDOWMENT FUNDS</b>						
<i>Expendable:</i>						
Parsonage Houses Fund	5,676	-	-	207	-	5,883
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	60,784	2,323	0	(2,530)	732	61,309
Church of England Funded Pension Scheme	(2,409)	-	(32)	309	(22)	(2,154)
Coventry Diocesan Endowment Fund	660	-	-	-	(9)	651
<b>Total endowment funds</b>	<b>64,711</b>	<b>2,323</b>	<b>(32)</b>	<b>(2,014)</b>	<b>701</b>	<b>65,689</b>
<b>TOTAL FUNDS</b>	<b>80,830</b>	<b>10,632</b>	<b>(8,974)</b>	<b>-</b>	<b>674</b>	<b>83,162</b>

\* Transfers include £2,323k released to restricted funds in accordance with the DBFs total return policy.



# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2018

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

##### DESIGNATED FUNDS

###### *Operational Properties Fund*

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

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

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

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

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

###### *Diocesan Mission Fund*

The Diocesan Mission Fund was set up in 2009 and has been replenished to fund applications for mission support from parishes.

###### *Church Buildings Fund*

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

###### *Centenary Events Fund*

This fund was set up in 2015 for funds to be set aside to assist with financing events in 2018 to celebrate the centenary of the re-founding of The Diocese of Coventry.

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

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

###### *Clergy Holidays Fund*

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

##### RESTRICTED FUNDS

###### *Pastoral Fund*

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

###### *Acceler8 Grants Fund*

This fund has been set up as a result of a grant awarded in 2015 by the Church Commissioners towards the cost of a project to speed up the growth of churches across the diocese by improving their health in eight quality areas and by intentionally focusing on the 20s and 30s age range.

###### *Serving Christ Fund*

This fund has been set up as a result of a grant awarded in 2017 by the Church Commissioners towards the costs of the Serving Christ project, an extension of the existing diocesan strategy of growing healthy churches. The project aims to increase significantly the capacity for growth in existing and emerging churches across the diocese of Coventry, and also Ebbsfleet parishes in other Dioceses, by a focus on discipleship development supported by increased DBF staffing capacity, including a team of Learning Mentors, and by creating a digital learning platform with related resources and training materials.

###### *Mission to Lowest Income Communities Fund*

This fund is for grants received from the Church Commissioners and expected during the rest of the 2017 to 2019 triennium for mission to lowest income communities in the Diocese.

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

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

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

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

#### **Warwick 20s and 30s Development Fund**

This fund was set up in the year for income from The King Henry VIII Endowed Trust, Warwick to pay for the cost of a 20s and 30s development worker for the parishes of the Warwick Team and Budbrooke.

#### **Offa House Proceeds Fund**

This fund has been set up in 2018 following receipt of the sale proceeds from Offa House, the former diocesan retreat centre. Both capital and income can be used for the charitable purposes connected with the advancement of the Christian religion in the Diocese of Coventry as the Trustees and Bishop of Coventry shall determine.

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

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

#### **Companionship Link Funds**

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

#### **Retreat Grants Fund**

This fund was set up with funds donated by the company which managed the former retreat house, for retreat grants for lay people who are not licensed and who are communicant members of the Church of England within the Diocese of Coventry.

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

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

#### **Ordination Training Grant Fund**

This fund was set up in 2017 for the block grant received from the Archbishop's Council for training ordinands sponsored by the Diocese. The block grant is based on the number and age of ordinands sponsored by the Diocese and can only be used to fund training on Initial Ministerial Education Phase 1 pathways at accredited institutions approved by the Ministry Division of the Archbishops' Council.

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

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

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

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

#### **Diocesan Stipends Fund Income Account**

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

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

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

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

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

The following two funds are still active but have zero balances and there has been no activity during the year:

#### **St Mark's Coventry Fund**

This fund was set up in 2016 for grants towards the re-opening of and initial running costs for St Mark's Coventry.

#### **EE Bardsley Bequest**

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

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

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

#### ENDOWMENT FUNDS

##### *Parsonage Houses Fund*

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

##### *Diocesan Stipends Fund Capital Account*

This fund represents the value of property and investments held under the Endowments and Glebe Measure 1976.

Historically, these holdings were held at parish level for the benefit of individual clergy stipends, but since the Measure they have been managed at Diocesan level for the benefit of all clergy paid for by the DBF.

##### *Coventry Diocesan Endowment Fund*

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

### 18 Total Return

	Trust for Investment £000s	Unapplied Total Return £000s	Total £000s
At 1 January 2018			
Gift component of the permanent endowment	14,984	-	14,984
Accumulated inflation since original gift	5,914	-	5,914
Unapplied total return	-	39,886	39,886
	<b>20,898</b>	<b>39,886</b>	<b>60,784</b>
Movements in the year			
Transfer to Diocesan Stipends Fund from Parsonage Houses	58	-	58
Transfer from Diocesan Stipends Fund to Parsonage Houses	(91)	(174)	(265)
Investment return: property income, dividends and interest	-	2,323	2,323
Investment return: realised and unrealised gains and losses	-	732	732
Indexation on base value of investment	264	(264)	-
	<b>231</b>	<b>2,617</b>	<b>2,848</b>
Unapplied Total Return allocated to income in the year	-	(2,323)	(2,323)
Net movements in the year	<b>231</b>	<b>294</b>	<b>525</b>
At 31 December 2018			
Gift component of the permanent endowment	14,984	-	14,984
Accumulated inflation since original gift	6,178	-	6,178
Net transfers out	(33)	-	(33)
Unapplied total return	-	40,180	40,180
	<b>21,129</b>	<b>40,180</b>	<b>61,309</b>

Movements in the year reflect the pastoral order made for Bedworth Parish which has led to the transfer of the parsonage in Linden Lea to become a glebe property and the glebe property in Bryony Close is now the parsonage for this parish.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 19 Transfers between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s
Transfers relating to properties:					
From Diocesan Stipends Fund to Parsonage Houses	-	-	-	(265)	(265)
To Parsonage Houses from Diocesan Stipends Fund	-	-	-	265	265
To Diocesan Stipends Fund from Parsonage Houses	-	-	-	58	58
From Parsonage Houses to Diocesan Stipends Fund	-	-	-	(58)	(58)
Property purchase funded by the Pastoral Fund	-	460	(460)	-	-
	-	460	(460)	-	-
Pension deficit contributions paid in year	-	-	(309)	309	-
Releases to cover General Fund costs incurred:					
Acceler8 project	193	-	(193)	-	-
Serving Christ project	173	-	(173)	-	-
	366	460	(1,135)	309	-

### 20 Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2018 Total £000s
Funds at 31 December 2018 are represented by:					
Tangible fixed assets	6	10,841	-	7,154	18,001
Fixed asset investments	1,682	92	36	59,522	61,332
Net current assets	1,039	447	3,492	807	5,785
Creditors falling due after more than one year	(5)	(100)	(57)	(1,794)	(1,956)
<b>Total net assets</b>	<b>2,722</b>	<b>11,280</b>	<b>3,471</b>	<b>65,689</b>	<b>83,162</b>

### 21 Related party transactions

The Coventry Diocesan Board of Education ("the DBE") is a related party as it is responsible to Diocesan Synod, the members of which are also the members of the DBF. The DBF provided the DBE with grants of £215,524 (2017: £103,915) in the year towards the costs of the DBE's statutory obligations, the costs of academisation and the costs of potential new schools development (see note 7). Other services provided by the DBF totalled £12,730 (2017: £23,892). The net amount owing from the DBE at 31 December 2018 in relation to transactions between the two parties was £2,294 (31 December 2017: £1,049).

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

Coventry Diocesan Endowment Fund	£20,108 (2017: £19,682)
Residential property	£3,099 (2017: £3,410)
CJB Meacham Trust	£6,174 (2017: £6,044)
Clifton on Dunsmore-Hanbury Trust	£1,466 (2017: £1,435)

Costs incurred by the DBF on behalf of the Diocesan Trustees were £27,936 (2017: £16,635). These costs were for secretarial support, land registrations and audit fees.

Together for Change (TFC) is a joint venture between the DBF and the Church Urban Fund. Costs incurred by the DBF as part of this partnership include the supply of a Chief Executive Officer, office and IT provision, and finance and HR services. A grant of £7,000 was awarded in the year (2017: £nil).

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 22 Custodian Trustee

During the year the DBF was the trustee of Offa House, the former diocesan retreat house. Offa House and most of the land (excluding the Lodge Cottage) was sold in January 2018 and the net sales proceeds were £1,033,344. The DBF as trustee of Offa House and the Bishop of Coventry are jointly responsible for the application of the sales proceeds for the advancement of the Christian faith in the Diocese of Coventry. Net rental income for the Lodge Cottage of £7,009 (2017: £6,394) has been received.

In addition, the DBF was a custodian trustee holding the title to property belonging to the Lucy Price Sunday School Fund which exists to provide religious education in the parish of Baginton. This property was sold in February 2019.

### 23 Prior year Statement of Financial Activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2017 Total £000s
<b>Income and endowments from:</b>					
Donations					
Parish Share	4,723	-	411	-	5,134
Church Commissioners	30	-	2,176	-	2,206
Other donations	118	-	326	-	444
Charges for charitable activities	367	-	11	-	378
Other trading activities	484	-	-	-	484
Investment income	58	5	1,872	-	1,935
Other	-	677	-	-	677
<b>Total</b>	<b>5,780</b>	<b>682</b>	<b>4,796</b>	<b>-</b>	<b>11,258</b>
<b>Expenditure on:</b>					
Raising funds	203	-	177	-	380
Charitable activities					
Mission and ministry	3,042	-	1,972	-	5,014
Support for mission and ministry	1,735	474	675	-	2,884
Contributions to Archbishops' Council	479	-	-	-	479
Education	182	-	-	-	182
Other	-	-	-	34	34
<b>Total</b>	<b>5,641</b>	<b>474</b>	<b>2,824</b>	<b>34</b>	<b>8,973</b>
<b>Net income/(expenditure) before investment gains</b>	<b>139</b>	<b>208</b>	<b>1,972</b>	<b>(34)</b>	<b>2,285</b>
Net gains on investments	146	7	3	4,799	4,955
<b>Net income</b>	<b>285</b>	<b>215</b>	<b>1,975</b>	<b>4,765</b>	<b>7,240</b>
Transfers between funds	(107)	893	(1,149)	363	-
<b>Other recognised gains:</b>					
Gains on revaluation of fixed assets	-	-	-	288	288
Actuarial loss on defined benefit pension scheme	-	-	-	(288)	(288)
<b>Net movement in funds</b>	<b>178</b>	<b>1,108</b>	<b>826</b>	<b>5,128</b>	<b>7,240</b>
<b>Reconciliation of funds</b>					
Funds at 1 January	2,097	9,855	2,055	59,583	73,590
Net movement in funds	178	1,108	826	5,128	7,240
<b>Funds at 31 December</b>	<b>2,275</b>	<b>10,963</b>	<b>2,881</b>	<b>64,711</b>	<b>80,830</b>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 24 Prior year Statement of funds

	At 1 Jan 2017 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 Dec 2017 £000s
<b>GENERAL FUND</b>	<b>2,097</b>	<b>5,780</b>	<b>(5,641)</b>	<b>(107)</b>	<b>146</b>	<b>2,275</b>
<b>DESIGNATED FUNDS</b>						
Operational Properties Fund	9,077	677	-	628	-	10,382
Diocesan Mission Fund	72	1	(125)	189	-	137
Extra Mission and Ministry Support Fund	203	-	(72)	1	-	132
Clergy Holidays Fund	87	2	-	-	7	96
Church Buildings Fund	48	-	(33)	60	-	75
Centenary Events Fund	45	-	(1)	30	-	74
Bishop of Coventry's Link Dioceses Fund	36	-	-	-	-	36
Bishop's Mission Fund	138	2	(109)	-	-	31
Bishop Bardsley Bequest	86	-	(85)	(1)	-	-
Diocesan Conference Fund	63	-	(49)	(14)	-	-
<b>Total designated funds</b>	<b>9,855</b>	<b>682</b>	<b>(474)</b>	<b>893</b>	<b>7</b>	<b>10,963</b>
<b>Total unrestricted funds</b>	<b>11,952</b>	<b>6,462</b>	<b>(6,115)</b>	<b>786</b>	<b>153</b>	<b>13,238</b>
<b>RESTRICTED FUNDS</b>						
Serving Christ Fund	-	1,773	-	(19)	-	1,754
Pastoral Fund	1,302	12	(243)	(563)	-	508
Acceler8 Grants Fund	575	-	-	(167)	-	408
DC Bonfield Bequest	57	-	-	-	-	57
Archdeacons' Discretionary Fund	37	1	(2)	-	3	39
Mission to Lowest Income Communities Fund	(163)	403	(146)	(50)	-	44
Retreat Grants Fund	28	-	-	-	-	28
Syrian Orthodox Christian School Fund	10	11	(2)	-	-	19
The Reverend George Goode Fund	16	-	(1)	-	-	15
Syrian Orthodox Christian School Scholarship Fund	3	-	-	-	-	3
Queen Victoria Clergy Fund	-	3	-	-	-	3
Companionship Link Funds	1	1	-	-	-	2
Warwick 20s-30s Development Worker Fund	-	15	(14)	-	-	1
St Mark's Coventry Fund	145	52	(197)	-	-	-
EE Bardsley Bequest	28	-	(28)	-	-	-
Church Commissioners' Mission Fund	16	-	(16)	-	-	-
Diocesan Stipends Fund Income Account	-	1,878	(1,528)	(350)	-	-
Deanery Share Support Fund	-	411	(411)	-	-	-
Warwick Clergy Stipends & Housing Fund	-	210	(210)	-	-	-
Ordination Training Grant Fund	-	20	(20)	-	-	-
Ordination Candidates' Fund	-	6	(6)	-	-	-
<b>Total restricted funds</b>	<b>2,055</b>	<b>4,796</b>	<b>(2,824)</b>	<b>(1,149)</b>	<b>3</b>	<b>2,881</b>
<b>ENDOWMENT FUNDS</b>						
<i>Expendable:</i>						
Parsonage Houses Fund	5,664	-	-	12	-	5,676
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	53,366	-	(34)	296	4,747	58,375
Coventry Diocesan Endowment Fund	553	-	-	55	52	660
<b>Total endowment funds</b>	<b>59,583</b>	<b>-</b>	<b>(34)</b>	<b>363</b>	<b>4,799</b>	<b>64,711</b>
<b>TOTAL FUNDS</b>	<b>73,590</b>	<b>11,258</b>	<b>(8,973)</b>	<b>-</b>	<b>4,955</b>	<b>80,830</b>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

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### 25 Prior year Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2017 Total £000s
Funds at 31 December 2017 are represented by:					
Tangible fixed assets	8	10,383	-	6,286	16,677
Fixed asset investments	1,707	86	33	58,859	60,685
Net current assets	560	697	2,989	1,661	5,907
Creditors falling due after more than one year	-	(203)	(141)	(2,095)	(2,439)
<b>Total net assets</b>	<b>2,275</b>	<b>10,963</b>	<b>2,881</b>	<b>64,711</b>	<b>80,830</b>