

THE
CHICHESTER DIOCESAN FUND
AND BOARD OF FINANCE
(REGISTERED CHARITY NO 243134)



2017

RED BOOK

104th ANNUAL REPORT AND FINANCIAL STATEMENTS

APPROVED AT THE DIOCESAN SYNOD 12th May 2018

REPORT OF THE DIOCESAN FINANCE COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2017

For a charity of our size and complexity, the financial statements are necessarily quite detailed and recent regulation has made them even more so. I am grateful to Catherine Dawkins, our Finance Director, for her work in making all our financial reporting as clear as possible.

The generosity of our congregations and parishes underpins so much of what we do and it is good to report that Parish Share collected, including earlier years' arrears, increased once again this year by 1% although this fell slightly short of what had been pledged, indicating that some parishes are finding it harder to meet their commitments. The collection rate increased to well over 99% which remains a very strong figure against the national picture. Our rental and investment income also showed a healthy increase on 2016, although fees and grant income were down.

Expenditure, while below owing principally to clergy numbers running slightly behind forecast and keen negotiation with EIG on our insurance premiums, was up by almost 2%. We continued to fund part of the upgrade of the parsonage estate with a substantial transfer from the Pastoral Fund and a transfer for the Education Department was made for the first time, as agreed by Diocesan Synod in 2015. After these transfers the outturn for the year was a surplus on the General Fund of £43,139.

While a second year of surplus is of course good news, with income increasing at less than 1% and expenditure by 2%, it leaves us with the challenge as we enter 2018 of raising our income or reducing our costs to balance the books in the year ahead and I am grateful to deanery treasurers for taking this message out to the parishes towards the end of last year and to parishes for generously considering their pledges once again. Feedback suggests we should remain cautious about the ability of some of our parishes to sustain their giving in line with inflation. Investment in mission initiatives and the optimisation of our presence on the ground have never been more important, both to effective witness and to the responsible management of our finances.

Our property portfolio saw a £28m increase in its audited valuation. This uplift was accompanied by another decent year of investment performance with a total return in excess of 10%. So our balance sheet remains strong with a good level of liquidity.

In this era of heightened governance, of risk monitoring and data protection, I am confident that the management of our affairs has never run more smoothly and I would like to express thanks to Gabrielle Higgins and the very strong team at Church House.

Finally, in my last year as Chairman, I would like to express heartfelt thanks to all who exercise stewardship over the finances of our Diocese of Chichester, especially to our committed band of parish and deanery treasurers, church wardens and all who serve on our committees and councils.

John Booth DL
Chairman
March 2018

DETAILED COMMENTS

The accounts published in this booklet, known as the Red book, reflect expenditure versus the budget for 2017 approved by Diocesan Synod in November 2016. The figures refer to the DBF's ordinary activities and provide a higher standard of accountability and transparency than our statutory accounts. The balance sheets and summary information contain fuller information than is required by legislation. In effect this booklet represents management accounts for internal diocesan use. Members of the Operating Committee regularly receive reports showing progress against budget and review strategy during the year.

A separate Report and Accounts which meets the requirements of the Companies Act and the current statement of recommended practice (SORP), and follows the guidelines set out under the regulations laid down in the Charities Act, is available on request. Those audited statutory accounts are presented to the annual general meeting of the Diocesan Fund and Board of Finance Inc (DBF) at its meeting in May.

It should be noted that since they are not the responsibility of the DBF, the accounts of Chichester Cathedral and various other associated diocesan bodies are published separately by each individual entity.

General Fund Income & Expenditure Account (pages 1 to 9)

The summary statement for the general fund on page 1 shows the breakdown of diocesan income and expenditure. A diagrammatic presentation of income and expenditure appears at the end of this introduction. The following paragraphs highlight particular points.

A deficit (before transfers) of £1,675,000 was budgeted for the year. It was budgeted that £1,675,000 would be transferred from the Pastoral Account: £1,447,000 towards property costs, and £228,000 towards education costs. The transfer in respect of property costs was the third year of a Diocesan Synod approved five year programme to upgrade parsonages starting in January 2015 and was duly made. The education transfer was the first made since Synod approved additional funding to support Church Schools in the diocese. The outturn after the transfer was a surplus of £43,139.

Overall income for 2017 was £205,653 below budget but still represented a 1% increase on 2016. Current year parish contribution receipts were ahead of 2016. The total Parish Share income recorded in the year was boosted in 2017 by the release of deanery reserves against prior year arrears and current year shortfalls. Parish contributions pledged for 2017 totalled £14,530,065, a 3% increase on the pledges for 2016. The collection rate for the year was 98.3%, or 99% if prior year amounts are included. Compared to other dioceses, Chichester continues to maintain a higher than average collection rate, and we remain extremely grateful to all our parishes for their tremendous support.

Details of payments by deanery are set out on page 12. The table indicates the percentage received against the amount promised by parishes by deanery. Seven deaneries met their promised pledges, and a further seven were within 98.5% of the figure pledged.

The investment portfolio performed well during the year, producing an income yield of 3.85% and a total return of 10.06%. It remains our policy to hold a balanced investment portfolio maximising income while protecting capital value for future generations.

Income from housing was slightly below budget although it represented a 7.5% increase on the prior year. The letting market in Sussex continues to remain buoyant and the property department monitors empty properties and lets those which are not needed for parish clergy in the medium term. It will continue to be diocesan policy to let empty parsonages during vacancies as well as glebe houses when not needed for parish clergy but to prioritise parochial use. The reduction in income was due to the number of properties brought back into parochial use or sold during the year.

Income from fees and local income was above budget by £4,540. A decrease in parochial fees of £73,775 on the prior year had been budgeted, and these were a further £6,116 below budget at year end. As the number of church weddings and funerals declines, this income is expected to continue to erode in future years. However income from parish trusts showed an increase of £6,600 against prior years and £10,656 against budget.

Total expenditure before transfers from the Pastoral Fund was below budget by £248,792. This was due to a combination of factors including a saving on the church insurance premium and an underspend on stipends and by the education department. The church insurance premium decreased significantly following the successful negotiation of a new long term agreement.

Expenditure on stipends and grants was £157,820 under budget and clergy pension contributions were £9,893 below budget. These variances are the result of a higher number of vacancies on average during the year. This average reflected a very high number of vacancies at the start of the year, with an encouraging decrease to forecast levels around August. It remains diocesan policy to fill vacancies expeditiously whenever possible. Unlike some dioceses we have not been put into the long term position where balanced budgets depend on deliberately lengthening vacancies.

Housing and property costs were over budget by £140,799, reflecting the continuing programme to improve the standard of clergy housing. Funding of this programme, as has been mentioned, is being subsidized by the Pastoral Fund. The provision of housing is an important factor in the clergy remuneration package and well maintained property will, we believe, attract new and retain existing clergy better.

Training costs for stipendiary and self-supporting clergy, including training for the distinctive diaconate, was some £29,557 above budget. This is partly due to an increase in the number of ordinands at college and also to a change to the system for funding ordination training. The training costs also include a transfer to build up the fund for the clergy conference in 2018.

There was an overall increase in expenditure across the 'parish support services' departments although the increase was below the budgeted income. Most departments were on or within budget with the principal exception of Administration which was £34,202 over budget. This was partly due to cover needed in one department to cover

staff absences and vacancies. Expenditure on IT, over which the Diocese had limited control, was over budget by £24,500. Steps are being taken to exit the consortium, through which services are currently contracted, to increase the level of control. Expenditure on Human Resources also increased in the year. A full time in-house HR Officer was recruited during 2017 and we expect expenditure to revert to 2016 levels in 2018.

Investment manager fees were higher in 2017 due to the additional discretionary portfolio with Cazenove. There was also an adjustment in respect of prior year fees which had not been properly recognised.

There was a significant underspend in the Diocesan Board of Education, where savings against budget of £125,970 reflected the fact that not all staff posts were filled during the year.

Careful planning and tight budgetary control by department heads remains a priority. In addition certain areas of Church House's activities are being reviewed to identify how procedures and resource management can be improved. Costs of managing the larger number of redundant churches vested in the DBF have risen and are expected to increase due to the need to maintain large buildings where one off repairs or planning costs are required.

General Fund Balance Sheet (page 10)

The figures set out in the balance sheet should be read in conjunction with the details of property owned by the Board set out on page 11 and the designated funds at the bottom of page 14.

Endowment and restricted funds (pages 13 to 19)

On page 13 it should be noted that the value of all properties is stated at market value to be consistent with the Board's accounting policies used in the statutory report and accounts.

The property fund is required to distinguish between the Board's free reserves and those held in property assets

Further details about all the funds may be found in the statutory accounts which are available on request.

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If there are any questions about any of the information published in this book, please do not hesitate to contact Catherine Dawkins, Diocesan Finance Director, or Gabrielle Higgins, Diocesan Secretary.

Gabrielle Higgins
Diocesan Secretary

Some comments from the report of the trustees contained in the statutory report and accounts (full copy available from the accounts department Church House Hove):

STRATEGIC AIMS

The main role of the CDBF is to identify and manage the financial aspects of the provision of ministry throughout the Diocese so as to provide appropriate personnel and financial resources to support both the nurturing of faith in new and existing Anglicans in Sussex and engagement with the community, as part of the Church's response to the mission of God in Sussex. The CDBF aims to achieve this by equipping the Diocesan Synod, its Councils and Committees, deaneries, parishes, chaplaincies and schools to further the mission and strategic priorities of the Diocese and by doing only those things which are best done at diocesan level or otherwise add value to the work of parishes, chaplaincies and schools.

At Pentecost 2015, the Diocesan Synod launched a five year Diocesan Strategy with the following three priorities modelled on the priorities of the Archbishops' Council's Renewal and Reform body of work:

1. Growth in holiness and numbers;
2. Re-imagining ministry;
3. Contributing to the Common Good.

Four years with different themes are aimed to help Anglicans in Sussex address these priorities. 2016 was the Year of Mercy, recognising our condition before God and need of forgiveness as a preparation for the Year of the Bible in 2017, where we listened to God's voice as it comes to us in Scripture. That in turn has led into the Year of Prayer in 2018, where as well as continuing to listen, we will be able to respond to what God is saying. This will take us into 2019 and the Year of Vocation where we will explore how to live out our Christian faith.

OBJECTIVES FOR THE YEAR

The CDBF seeks to respond to its mission of growth in Christ and to its strategic aims by focusing on the following objectives for this and subsequent years:

- To resource a Christian presence in every parish by:
 - The appointment of stipendiary and self-supporting clergy, lay ministers and Christian leaders and governors in our schools
 - Enabling the laity in congregations to play their part in ministry
 - The payment of stipends and pensions
 - The provision and maintenance of housing which is safe, fit for purpose, and welcoming
 - The selection and training of ordinands and lay ministers, and the provision of financial support to those training for ministry
 - Providing ministerial development reviews and continuing ministerial development for clergy

- Providing pastoral care and welfare support to clergy, including financial assistance where needed
- Planning and delivering improvements to mission and pastoral organisation
- To develop the ability to ensure a Christian presence in future by:
 - Encouraging vocations to both lay and ordained ministry, especially young vocations, and developing apostolic pathways for all, in particular re-imagined forms of lay ministry
 - Supporting apostolic partnerships to reinvigorate communities and establish a presence in areas of new housing
 - Enabling church schools to reach out to families in their communities
- To support clergy, lay leaders, parishes and chaplains and enable their work by providing training, information, advice, guidance, services and good governance
- To support schools and in particular head teachers and governors to provide the best possible education and Christian witness through training and support services and the provision of assistance and advice
- To support schools with planning pupil places and ensuring their buildings are fit for purpose, facilitating capital expenditure and the expansion of schools where possible
- To provide support for parishes and individuals in all aspects of safeguarding casework, liaising with the public authorities as necessary
- To promote a care for the environment and a sustainable use of resources, and work towards becoming an Eco Diocese
- To support the Anglican church, nationally and internationally, and other particular ministries to groups and communities
- To run an effective organisation in order to deliver these objectives, including the provision of support to the senior clergy and management of assets.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Resourcing a Christian presence

Appointments, enabling the ministry of the laity, and payment of stipends and pensions

The presence of clergy and lay ministers in the parishes and communities of the Diocese is an important part of delivering the Diocese's mission. They engage in a wide variety of community and church projects and carry out over 1,500 weddings or blessings, 4,200 funerals and 2,800 baptisms each year. Over 400 licensed clergy and 160 licensed readers minister in the 362 parishes in the Diocese, with 22 new stipendiary clergy appointments and 13 new readers licensed during 2017. The Education Department appointed 122 new foundation governors for church schools and helped to appoint 19 new head teachers. A new Officer for Lay Vocations and

Ministry started work in February 2017 and has been developing training and resources for lay ministries.

During the year the CDBF paid stipends, pensions and other employment costs totalling £9.46 million for incumbents, curates and other clergy, increasing stipends in line with national recommendations. The payroll is administered by a separate charity, the Archbishops' Council, and the CDBF reimburses the costs, which form by far its largest financial commitment. There was an average vacancy rate of 34 stipendiary posts during the year, significantly in excess of the budgeted rate of 29, although lower than the average rate of 36 in 2016. The vacancy rate started high but decreased during the year to the budgeted level. Rural deans and churchwardens of vacant parishes work closely together to maintain worship and other community activities, aided by a large pool of retired and self-supporting ministers. The CDBF funds fees and expenses for those clergy during interregna.

Parish clergy are not employed by the CDBF, but the CDBF does have responsibilities in respect of their engagement. In addition to paying their stipends and National Insurance, paying into their pension funds, and housing them, it is responsible for training (see below). Under new terms of service, called Common Tenure, introduced in 2011, clergy have greater clarity on their rights and obligations and have access to Employment Tribunals and other useful services. These apply to all new appointments and some of those in post before 2012; others chose to retain their freehold. The CDBF's external HR consultants provide HR services in respect of clergy as well as lay staff to improve the care and service provided. This has been enhanced in 2017 by the addition of a full-time in-house HR Officer.

Provision of housing

The Property Department has continued its efforts to address the historic maintenance backlog. The annual quinquennial repair programme covered 68 of the diocese's 380 properties, spending c.£930,000, and 103 properties were made ready for incoming clergy and private tenants (in order to derive a rent) at a cost of c. £894,000. The following improvement works were also carried out:

- Two properties were re-roofed or had significant roof repairs.
- 39 properties had replacement boilers or upgrades to their central heating systems
- 11 properties had replacement bathrooms
- 25 properties had replacement kitchens
- 37 properties had replacement UPVC windows and doors.

In addition one special project was completed, which was upgrading the windows at Arundel Vicarage (grade II listed). The overall cost of this improvement was c.£40,000.

In 2017 the Housing Handbook was updated (with a view to being released at the beginning of 2018). The Diocesan Property Strategy was also completed and published during 2017.

Selection and training of ordinands and lay ministers

The training of curates (IME 2) includes the development and running of a diocesan course, which is a Common Awards programme validated through the University of Durham via St. Augustine's College of Theology (our local training institution). Curates are formally assessed at the end of their training to ensure they have reached an appropriate level of competency, a process overseen by the Department for Apostolic Life.

Grants of over £281,500 were made to ordinands to support them and their families during their training.

Training programmes for specific lay ministries (lay ministers of communion and readers) continued to be delivered. Following a specific review of reader ministry, significant changes were made to training, including St. Augustine's College of Theology taking over course delivery. A new Officer for Lay Vocation and Ministry developed *Living Faith*, a discipleship course for laity. The course began in autumn 2017.

Ministerial Development Review and Continuing Ministerial Development

The new Ministerial Development Review (MDR) scheme has continued to run successfully, with a dedicated administrator. A half-time Continuing Ministerial Development (CMD) officer has responded to training needs identified through MDR, through one-to-one meetings or identification of appropriate training courses.

Pastoral care and welfare support

The confidential counselling service for clergy and their families commenced on 6th February 2017 and received over 60 self-referrals within the first 11 months of operation. Three non-church bases, covering the whole of the Diocese, are available for clergy and their families to meet with the Officer for Pastoral Care and Counselling. An external group of a dozen therapists has been built to meet the level of need which has arisen, which costed £13,625.

In addition welfare grants of approximately £78,000 have been awarded to 172 clergy and their families in time of need.

Implementing improvements to pastoral organisation

Twelve pastoral reorganisation schemes were completed in 2017 and a further three were progressed. Significant progress was also made in relation to four possible schemes for church closures, including the case of St Leonards-on-Sea, St Leonard, and towards finding new uses for four churches that have already been closed.

Developing Christian presence for the future

Encouraging vocations

The discernment processes for the selection of ordained ministers and specific lay ministries were further developed during the year. The enlarged team of Vocations Guides and Assistant DDOs continued to receive training in their work and two vocations events assisted a rise in the number of people engaged in some kind of vocational discernment from 45 to just over 100. Over 70 people are engaged in a new discipleship course – *Living Faith* – which has a strong vocational element. Growing vocational work means that we have an anticipated 70% increase in the number of people attending Bishop’s Advisory Panels this academic year.

Supporting apostolic partnerships

Early in the year we were awarded a grant from the Strategic Development Fund (SDF) of £825,000 to deliver four apostolic partnerships across the Diocese. Three commenced during the year and are already showing growth. The grant also allowed us to employ a project manager for this and future bids, as well as extra resource for the DAC. The project manager has worked with senior staff and appropriate others to start identifying possible future partnership projects. A second bid was submitted to the Church Commissioners in October 2017.

Enabling church schools to reach out

Throughout 2017 church schools within the Diocese have continued to roll out the Church of England Vision for Education with many schools rewriting their own vision statements to reflect this. A large proportion of our church schools engaged enthusiastically with activities relating to The Year of The Bible, working with both their parish church links and local communities to create over 700 pieces of art work that reflected many stories from the bible. Public exhibitions were held in both the East and West of the diocese to show a selection of the art work created.

Supporting clergy, lay leaders, parishes and chaplains

Apostolic Life

Courses to nurture faith and discipleship have continued to be provided, including the diocesan Year of the Bible Lent course, study days for clergy and new modules in the Engaging Christianity programme developed collaboratively with the University of Chichester. Courses for both new and experienced spiritual directors have been run together with short courses in spiritual direction specifically for the clergy.

Youth and Children

2017 has seen continued training and support for parishes in thinking strategically about youth work. Partnering with the Diocesan Mission Fund has seen churches appointing more youth and children’s workers across the diocese. Chichester Diocese is now ranked in the top two Dioceses in the country based on number of salaried youth or children’s workers. Networking events have seen stronger cohesive working between churches across the diocese and regular ongoing training for salaried workers

and volunteers. The recruitment of a youth leadership development officer to work with the Diocesan youth officer has seen a new internship programme being developed for young people aged 18-25 to be launched in 2018. May Camp, our diocesan youth festival continues to see healthy growth in 2017 with nearly 500 young people attending, an increase of 20% on 2016.

Communications

Throughout a busy 2017 the communications team continued to provide a proactive and reactive service to Church House, senior team and parishes. The national focus on Safeguarding issues has also been a priority.

Audio and video resources and other promotional material were developed and distributed to parishes to encourage them to engage with the Diocesan Strategy and Year of the Bible. Year of Prayer resources were developed and launched at the November Synod ahead of Advent and the Diocesan Lent Course 2018, Inspiring Vision was commissioned and the materials put in place for the end of the year. This exciting course, which involved six contributors including the Archbishop of Canterbury, has been extensively promoted in all diocesan communications. 3,000 Inspiring Vision posters were printed by CPO and a further 3,000 had to be reprinted within days.

Thy Kingdom Come in May culminated in a Beacon event at Chichester Cathedral, with ideas and a more developed programme to be built on for 2018.

The team continued to create and manage a large amount of content for the diocesan digital channels, with the main ‘pillars’ of content being prayers and parish output, diocesan events and national church content. In addition, the first Annual Review, of 2016, was commissioned by the Diocesan Secretary and Chair of the DBF and was designed, published and sent out to all deaneries.

Continued support was given to our partner organisations, building up trust and confidence in sharing mutual goals. YMCA Downlink were the charity for the Diocesan Lent Appeal spotlight was shone on their work through the Sleep Out event in March 2017 attended by Bishop of Chichester.

Parish development and stewardship

In response to the high level of need from deaneries, parishes and individual clergy, the Parish Development Officer became a full-time post. On the Stewardship front, Chichester Diocese has over 4,000 givers using the Parish Giving Scheme. Another systems initiative has been the online store, where parishes can now procure a range of resources. A legacy campaign was launched at the November Diocesan Synod to help PCCs promote legacy giving.

Education

The Education department has continued to run programmes specifically to support parish involvement in education by running courses such as “Help, there’s a school in my Parish” and also providing training for clergy around the new Understanding

Christianity resource which is being used in many of our church schools. Autumn briefings were completed across the Diocese to give information about the focus of the department, as well as sharing the wider national context for education with issues such as the small schools agenda and the national funding formula. These briefings were attended by 86 people, which included head teachers, chairs of governors and clergy.

The Education department has continued to work closely with the Open The Book team throughout 2017 and there are now over 135 people from parishes trained as Story Tellers who are working directly with church schools.

Safeguarding

The National Safeguarding Training Framework continues to be implemented across the Diocese; 3,500 people have been trained in either the C1 or C2 modules since January 2016, with over 75% of licensed clergy now having attended both modules. C1 is now available online which has improved take-up considerably.

Simple Quality Protects ('SQP'), the online parish safeguarding tool, was launched in 2017 and has had a very good take-up across the Diocese. 88% of parishes have started Level 1, with many having completed this core level. The Safeguarding Team will commence a series of Deanery assessment events for SQP attainment in the spring of 2018, and will also launch SQP Levels 2 and 3 by summer 2018.

The Diocese of Chichester is experiencing a period of unprecedented scrutiny with regards to our safeguarding processes, having been chosen as the Case Study for the investigation conducted by the Independent Inquiry into Child Sexual Abuse (IICSA) into the Church of England. This scrutiny has reinforced the importance of ensuring that sufficient resources are made available to consistently achieve a professional standard of safeguarding practice in the Diocese.

Fundraising

Both the Parish Development Officer and the Generous Giving Adviser have helped on the Mission Fund committee which determines the appropriate placing of nearly £150k annually. The fund raising adviser has worked with a number of parishes to help them put together capital fundraising projects.

Property

The Property Department continues to support parishes and clergy by providing advice on the management and development of property. The department also provides guidance to parishes regarding the Charities Act and the process to obtain diocesan consent for property sales. It has made considerable efforts during the year to build the asset register to include parish property held by the CDBF as diocesan authority.

DAC

The Diocesan Advisory Committee for the Care of Churches has continued to fulfil its statutory role in the faculty jurisdiction system and has provided advice and guidance to parishes on issues relating to the care of church buildings. The DAC issued written advice in relation to 204 projects (148 applications for Formal advice and 56 requests for Informal advice) and made 27 site visits to assist parishes in the early stages of planning major projects. The DAC team also offered informal advice and guidance on day-to-day issues relating to the care of churches and organised a series of training events, including four Roadshows on the theme of Fundraising for Church Buildings Projects.

Finance

The Finance Department provides support to parishes through its training seminars, manuals and by providing ad hoc advice throughout the year. Topics covered include accounting regulations for PCCs, essentials of charity law, how to employ and pay staff, and Gift Aid. During 2017 the Finance Department ran 25 training seminars across the Diocese. These were attended by 408 people in total. The department also shared its manuals and accounting templates on the diocesan website and responded to questions from parish treasurers on an almost daily basis. In addition the Diocese acts as custodian trustee for many trust funds; the Finance Department manages investments on behalf of almost 500 parish and chancel trusts and 65 school trusts.

Governance

The Governance team manages elections and advises parishes on matters of governance, record-keeping, and the like. A significant achievement in 2017 was the production of a new diocesan directory, the first since 2013. The database adopted in 2016 has also been developed over the last 12 months and it will now be used to help work through new processes for APCM returns and implementation of GDPR regulations in 2018.

Supporting schools

During 2017, the programme of continuing professional development and schools based review for 157 schools in the Diocese continued, funded through a combination of diocesan funding and contributions from schools made through payment of the partnership agreement. All schools now have a named Diocesan Effectiveness Partner who support both school improvement and effectiveness. The CPD programme is designed to be of benefit to school staff, governors and clergy. 452 people took part in training provided by the Education Department this year, with 86 schools having now taken part in training around Understanding Christianity. The Headteacher conference focussed on inspirational leadership and had 80 people attending. RE and Worship training remained popular.

Particular focus was given to the Year of The Bible during 2017 with a major art competition being held across the Diocese. Many deaneries donated money to the prize fund which ensured that 36 prizes could be awarded to schools, individual pupils and staff.

Whilst the pace of academisation nationally has slowed, the Diocese of Chichester Multi Academy Trust (DCAT) continues to grow steadily and now manages 6 schools, having taken in a further school in East Sussex. The DCAT team has expanded bringing a wealth of knowledge and experience to strengthen its work, ensuring that it is able to take in further schools in the coming years. The Bishop Otter Academy Trust (BOAT) has been formed within which the newly granted free school of St Clements will sit, alongside schools from the Brighton, Hove and Shoreham area who are due to join from 2018 onwards.

By the end of 2017, 86% of our schools were judged to be Ofsted graded good or above with 48 schools being inspected through the year. This is encouraging as the number of good or better schools has steadily risen over the past three years, despite the Ofsted framework having increasingly raised expectations of schools. 22 of our schools (14%) are outstanding.

92% of schools are currently graded as Good or Outstanding for their Christian Distinctiveness through SIAMS inspection. 17 of the 52 schools inspected in the Academic year 2016/2017 achieved outstanding, 30 good and 5 required improvement.

A school affiliation scheme has been developed which will enable community schools and academies to join the church school family and benefit from the CPD and events programme.

Facilitating of capital expenditure on schools

The Education Department facilitates capital expenditure and maintenance for 54 Voluntary Aided Schools and 8 academies. It works with the schools to access public capital funding. Capital funding through LCVAP grants to voluntary aided schools across the Diocese amounted to £2.5 million in 2017. These projects have included the remodelling of reception areas to raise the profile of two schools in West Sussex and Brighton, as well as supporting a range of maintenance issues in schools such as window renewal, boiler replacement, resurfacing of external play areas and roofing.

Safeguarding casework

The Safeguarding Team continues to work with Sussex Police and other statutory partners across Sussex, and with the Church's National Safeguarding Team, as required, and to assist churches across the Diocese in responding to issues they raise. The Diocese now has a Service Level Agreement with the Survivor's Network in Brighton to provide ongoing specialist support to survivors of sexual abuse.

The environment

The CDBF is continuing to support the Diocesan aim of becoming one of the first A Rocha Eco Dioceses, developing a culture of caring for the environment across its churches. As part of this aim we have been supporting a successful bid by one of our churches to Scientists in Congregations for funding to develop a set of resources that

can be shared with other churches to teach about ecosystem services within a theological context.

Supporting the wider church and specific ministries

Support for parish projects within diocese

The Diocesan Mission Fund deployed part of the grant from the Allchurches Trust as well as an amount from the Pastoral Fund and sums given in previous years by the Archbishops' Council to support outreach mission initiatives within the Diocese. It supports both new work and developments of current activities that need further financial assistance. In the last year the Mission Fund has awarded about £150,000 towards projects including parish youth workers, a schools worker and a series of small grants which enable local work to start including school pastors. All projects are linked closely to the Diocesan Strategy.

Grants are made to other connected charities, notably Chichester Diocesan Association for Family Support Work and St Bartz Trust to support their work with disadvantaged families and youth work respectively. In 2017 the Diocese paid its first grant to the Church Urban Fund to support the Together in Sussex project. Together in Sussex is a joint venture between the Church Urban Fund and the Diocese of Chichester to support churches and others to bring positive change to their wider community. This occurs by enabling reflection on the needs of the parish and providing a broader understanding of what else is available in the community, linking groups and individuals where possible. An analysis of grants made by the CDBF to support the furtherance of its objects can be found in note 11 to the financial statements.

Support for the wider church nationally

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of various national boards and councils including General Synod, and also to cover a proportion of the cost of national training for ministry and the provision of housing for retired clergy (see note 9 to the financial statements).

The diocese has continued to be at the forefront of preparing Christian school leaders for the future by fully supporting the National Foundation's Church of England Professional Qualification for Headship (CofEPQH) with 9 aspiring school leaders from the diocese starting the course in 2017. Through the work of the Diocesan Director of Education the diocese continues to promote the Church of England's Vision for Education and has also secured one of 6 Unlocking Gifts projects from the national Church of England office with the aim of enabling disadvantaged children to flourish in Church of England schools.

Support for the wider church internationally

2017 has been a busy and enriching year for the Diocesan Overseas Council. The DOC has grown in confidence as its partnership with colleagues in other diocesan departments has deepened and matured. In the process this has enabled the realisation of potential and new joint initiatives including the pioneering of school links with

Kenya; establishing new parish links; taking the second group of curates & Readers to Kenya; and laying down the groundwork for developing an interface between our Youth Department and those engaged in youth ministry in our Companion Link dioceses.

During the year Bishop Richard became chair of the DOC and under his leadership the DOC, in partnership with the cathedral, is now engaged in planning and preparing for the Lambeth conference in 2020.

The Diocese has also funded mission work and responded to emergencies in Companion Link dioceses.

Links have been developed between the DOC and Education which have facilitated the development of a new International School Linking programme between schools in our diocese and those in our link diocese. This is being trialled in the diocese of Kericho and Nyahururu with initial links being set up with 4 sets of schools.

The Diocesan European Ecumenical Committee (DEEC) continued to foster ecumenical links between the diocese and Roman Catholic and Lutheran churches in Germany. Delegates from Chichester attended the Coburg Conference in October 2017.

Support for particular ministries

The Diocese has continued developing bespoke local responses to the challenges faced by smaller communities in rural areas. Work has been done gathering rural clergy and community leaders together at a conference to develop joint ideas and these have contributed to the formation of a learning community aiming to look at potential solutions to these challenges. The work of the Rural and Environment Officer, the Rural Business Chaplaincy shared with the Diocese of Canterbury, the Brighton University Chaplain and the Chaplain to Gatwick Airport has continued to offer a Christian presence in these contexts/sectors.

Running an effective organisation

The Diocese makes great efforts to be a good steward of its assets, and to manage its investments effectively, balancing the need to maximise the long term return from our assets with the need to generate income to reduce the pressure on parishes. Following the change in church law allowing the capital accounts of Diocesan Stipends Funds to be invested on a total return basis, the Assets Committee has adopted a new investment policy taking into account this new approach, and has appointed a new investment manager. Following a tendering process, Cazenove was appointed in December 2016 to manage part of the investment portfolio on a total return basis.

Progress continues to be made on the various glebe projects in the diocese. In 2017 the option (signed in 2016) was completed for the sale of Warnham Glebe and parsonage. The DBF received £1.25m and a replacement parsonage is also being constructed as part of this agreement. The option for Storrington (also signed in 2016) is yet to be exercised, but planning has been granted and a draft price notice has been informally agreed. Negotiations continue to progress on other glebes. The Property

Department also continues to focus on letting empty houses where it can, generating rental income of c. £375,000 for parsonage houses and c. £300,000 for glebe houses and land.

FUTURE PLANS

The strategic aims established by Diocesan Synod in May 2015 detailed on page 4 will continue to direct the activities of the CDBF for the next two years.

Our major commitment continues to be the maintenance of a Christian presence across the parishes of Sussex. As well as encouraging more vocations to the ordained ministry we plan to train and develop lay members of the Church, including the staff and governors of our church schools, as part of our strategic intention to re-imagine ministry. Ensuring that our parishes and schools are safe and welcoming places remains a priority.

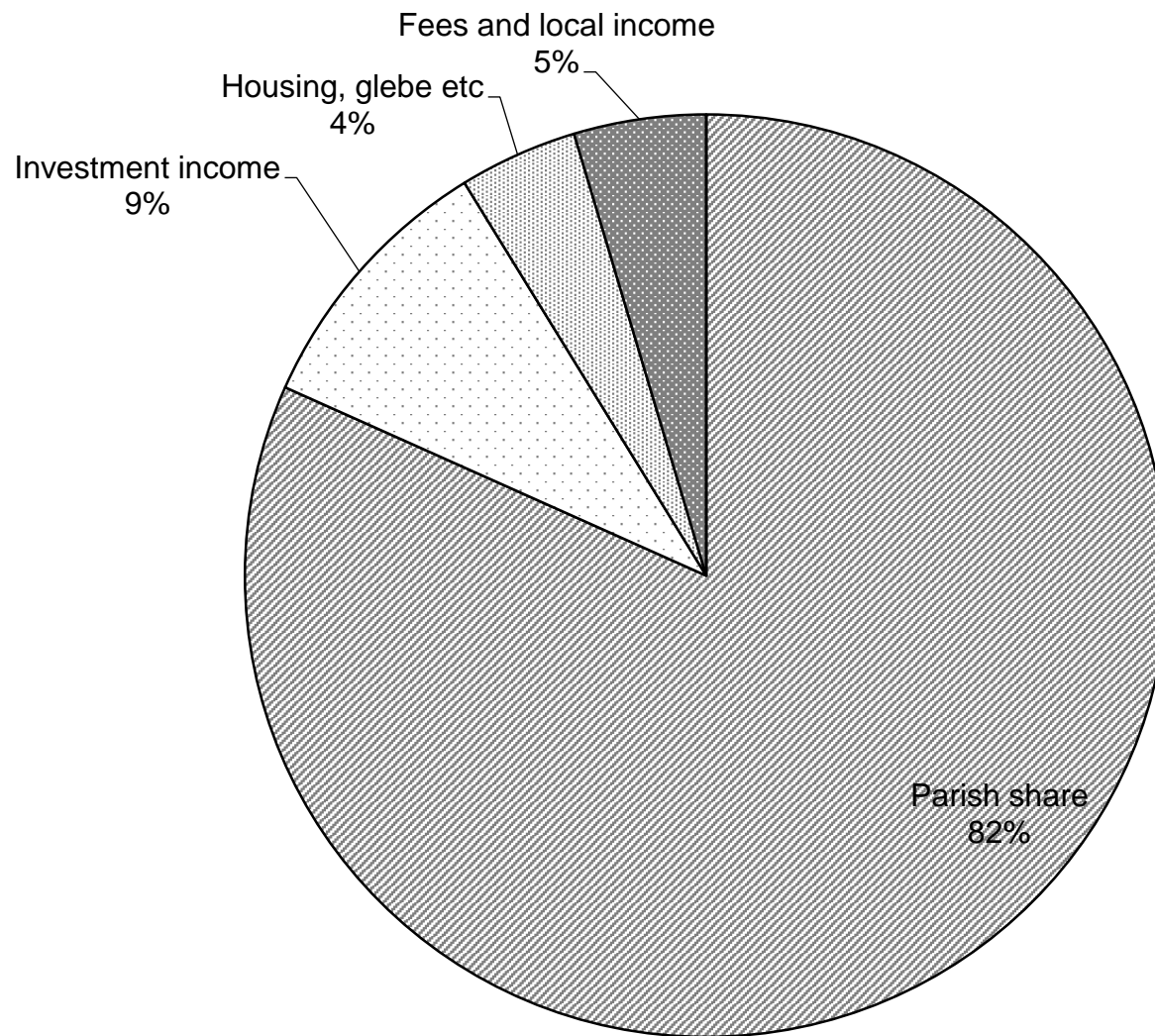
The Diocese is a pilot diocese for ‘Setting God’s People Free’, focussing on setting the laity who form 98% of our worshipping communities free to live out and share their faith Monday to Saturday. We are also encouraging community schools and academies to join the church family by developing a school affiliation programme to enable them to benefit from the support and training offered by the Education department as part of our family of schools.

We intend to use strategic funding from the Church Commissioners to enable mission and growth by establishing a presence in new communities. We shall also invest in deepening and forming new apostolic partnerships in existing communities.

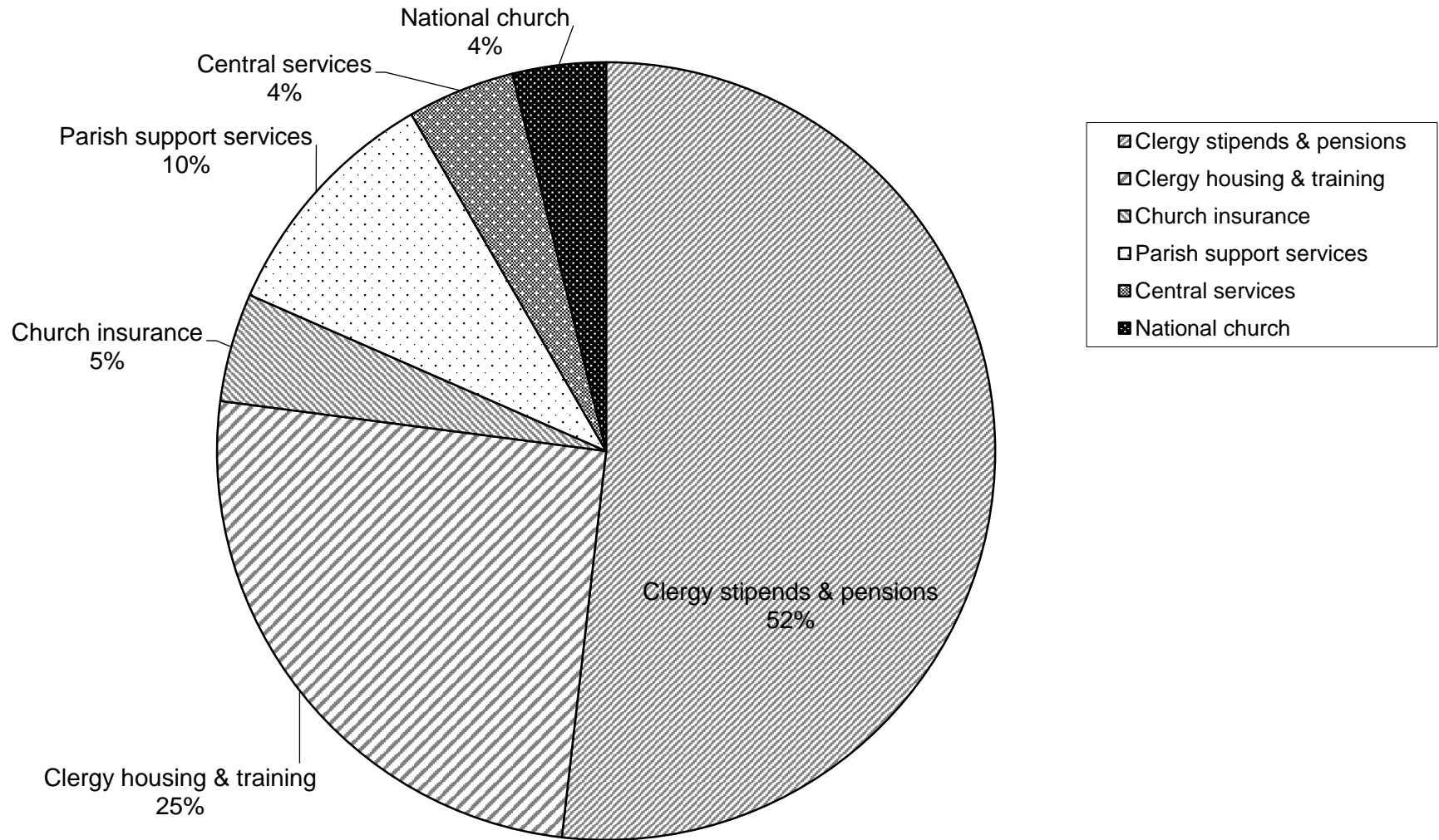
Whilst national policy is unclear around academisation, we will be supporting both the Diocese of Chichester Academy Trust and Bishop Otter Academy Trust to ensure that they are outstanding Multi-Academy Trusts for our schools to join.

Our central structures are designed to support the vision and the priorities of the diocese and, as such, are kept under review to ensure that they are fit for that purpose.

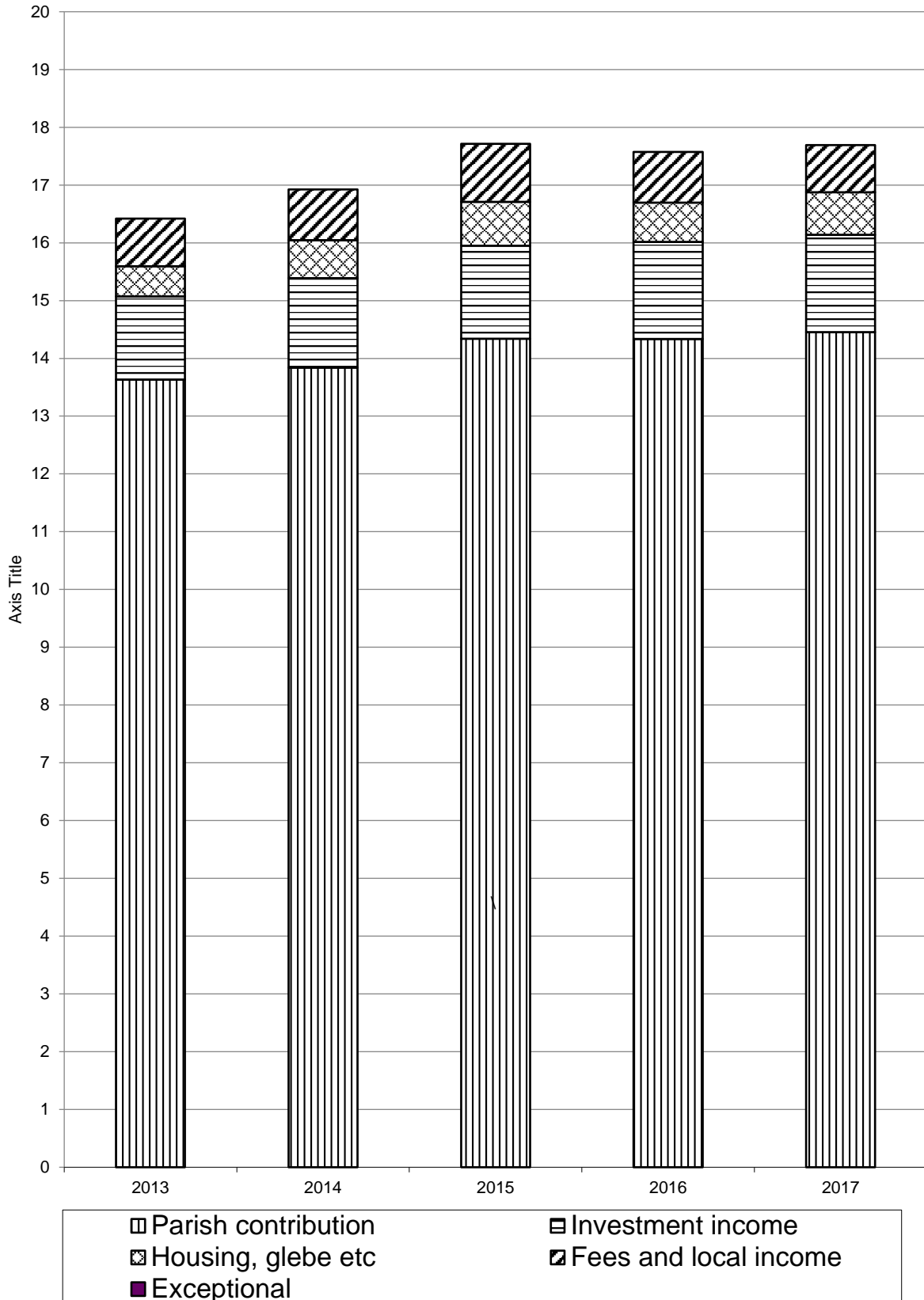
INCOME 2017



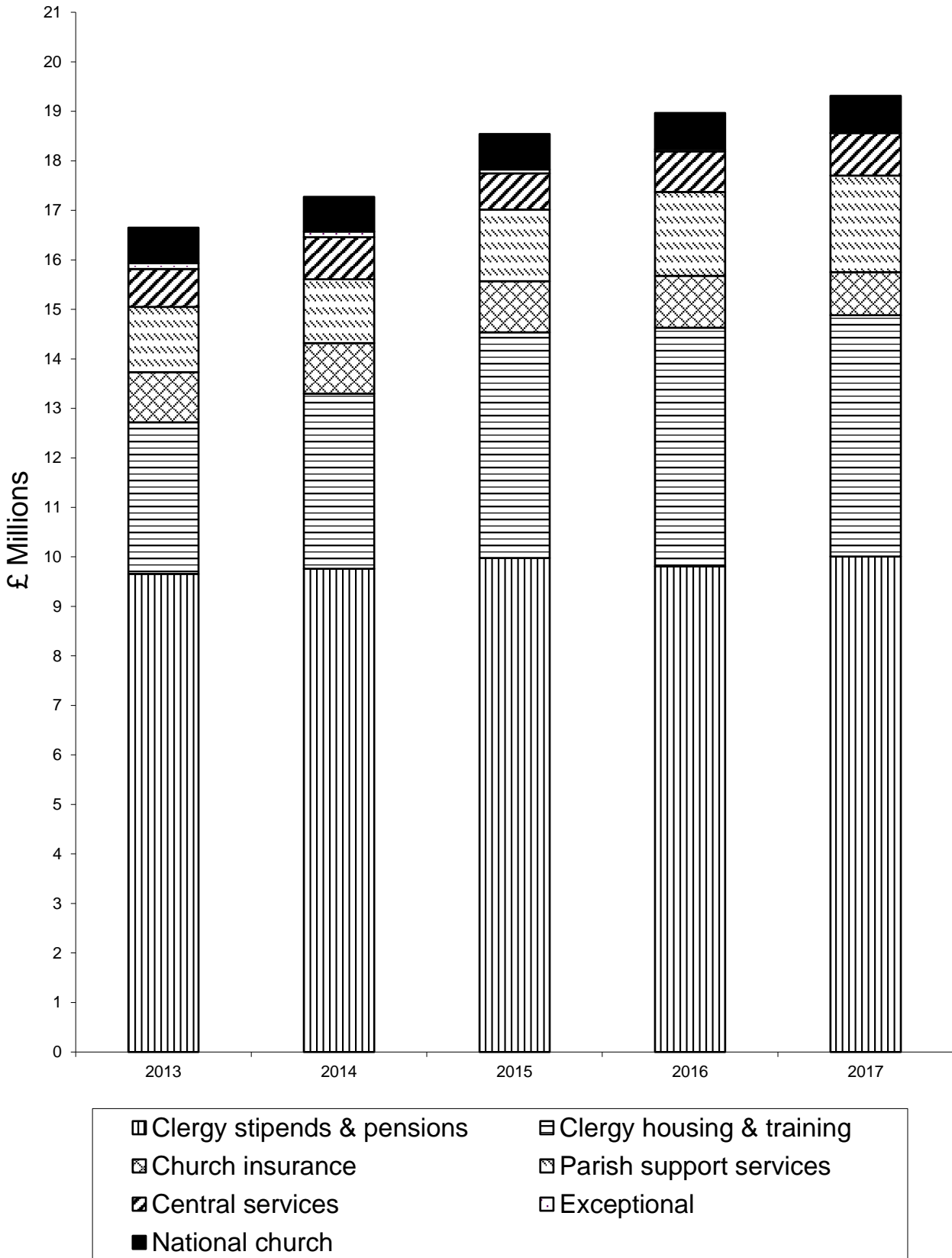
EXPENDITURE 2017



Income Trend 2013 - 2017



Expenditure Trend 2013 - 2017



UNRESTRICTED FUNDS - GENERAL FUND
SUMMARY OF INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

<u>ACTUAL</u> <u>2016</u>		<u>ACTUAL</u> <u>2017</u>	<u>BUDGET</u> <u>2017</u>
		<u>£</u>	<u>£</u>
<u>INCOME</u>			
14,334,196	Parish share	14,454,752	14,572,783
1,459,272	Dividends & interest	1,489,750	1,474,400
221,225	Grants from designated funds	195,780	218,200
304,661	Glebe	332,130	354,892
378,349	Housing	402,744	450,830
730,331	Fees & local income	657,040	652,500
143,231	Miscellaneous grants and donations	161,524	175,768
17,571,265	TOTAL INCOME	17,693,720	17,899,373
<u>EXPENDITURE</u>			
<u>The Ministry</u>			
7,518,864	Clergy stipends, grants and fees	7,625,631	7,783,451
2,304,231	Clergy pension contributions	2,380,462	2,390,355
3,369,369	Clergy and layworkers housing	3,273,600	3,132,801
97,118	Clergy widows & retired clergy housing	87,078	64,300
1,350,923	Training - ordination & other	1,513,318	1,483,761
14,640,505		14,880,089	14,854,668
<u>Direct support for parishes</u>			
1,048,113	Church insurance premium	872,312	1,068,730
1,048,113		872,312	1,068,730
<u>Parish support services</u>			
366,430	Apostolic Life	432,831	458,293
220,842	Common Good	226,748	221,648
418,189	Diocesan Board of Education	595,521	721,491
207,914	Safeguarding - Children protection	219,593	215,234
51,565	Diocesan Advisory Committee (DAC)	57,363	63,373
34,842	Pastoral Committee	38,284	42,238
67,542	Closed churches	70,736	85,000
55,751	Glebe administration	49,647	42,600
84,564	Investment managers fees	128,766	95,000
98,768	Communications	81,301	90,848
171,857	Information technology (IT)	190,074	165,565
726,165	General office, Finance, Governance and Administration	718,585	684,383
2,504,429		2,809,450	2,885,673
43,727	Exceptional items	14,950	13,000
731,995	National Church responsibilities	748,780	752,302
18,968,769	TOTAL EXPENDITURE	19,325,581	19,574,373
(1,397,504)	(DEFICIT) FOR THE YEAR BEFORE TRANSFERS	(1,631,861)	(1,675,000)
<u>TRANSFER FROM PASTORAL FUND</u>			
1,447,000	Clergy housing	1,447,000	1,447,000
-	Education	228,000	228,000
49,496	SURPLUS/(DEFICIT) FOR THE YEAR	43,139	-

INCOME

<u>ACTUAL</u> <u>2016</u> £		<u>ACTUAL</u> <u>2017</u> £	<u>BUDGET</u> <u>2017</u> £
<u>PARISH SHARE</u>			
14,277,013	Current year	14,283,831	14,572,783
57,183	Previous years	170,921	-
<u>14,334,196</u>		<u>14,454,752</u>	<u>14,572,783</u>
<u>DIVIDENDS & INTEREST</u>			
682,762	Diocesan stipends fund	734,237	699,200
737,984	Diocesan pastoral account	739,843	748,200
38,526	Cash on deposit	15,670	27,000
<u>1,459,272</u>		<u>1,489,750</u>	<u>1,474,400</u>
<u>GRANTS FROM RESTRICTED FUNDS</u>			
97,119	Diocesan welfare trust - grants for family support and retired clergy	59,595	91,800
69,788	Elfinward Fund for:		
12,298	Training - ordination & other	76,501	71,021
6,149	retreats & conferences	13,582	12,586
35,871	information	6,791	6,293
<u>221,225</u>	Training fund	<u>39,311</u>	<u>36,500</u>
		<u>195,780</u>	<u>218,200</u>
<u>GLEBE INCOME (Gross)</u>			
15,537	Rents from land in diocese	13,379	26,400
244,724	Rents from properties in diocese	274,351	284,092
44,400	Rents for diocesan officers' houses	44,400	44,400
<u>304,661</u>		<u>332,130</u>	<u>354,892</u>
<u>HOUSING INCOME</u>			
27,600	Other income for diocesan officers' hses	-	-
307,813	Rents from parsonage houses	375,494	396,129
16,536	Rents from retired clergy houses	850	20,340
26,400	Rents from corp. & welfare houses	26,400	34,361
<u>378,349</u>		<u>402,744</u>	<u>450,830</u>
<u>FEES & INCOME RECEIVED BY INCUMBENTS & OTHERS</u>			
641,275	Parochial fees assigned	561,384	567,500
89,056	Parish trust income	95,656	85,000
<u>730,331</u>		<u>657,040</u>	<u>652,500</u>

INCOME Continued / EXPENDITURE

<u>ACTUAL</u> <u>2016</u> £		<u>ACTUAL</u> <u>2017</u> £	<u>BUDGET</u> <u>2017</u> £
<u>MISCELLANEOUS GRANTS & DONATIONS</u>			
131,000	Allchurches Trust	133,000	133,000
1,151	Rents from redundant churches	25,885	27,268
1,093	Ordination & institution collections	0	5,500
9,987	Donations	2,639	10,000
<u>143,231</u>		<u>161,524</u>	<u>175,768</u>
<u>17,571,265</u>	TOTAL INCOME	<u>17,693,720</u>	<u>17,899,373</u>
 <u>EXPENDITURE</u>			
<u>CLERGY STIPENDS & GRANTS & FEES</u>			
Stipends			
6,396,660	Total chargeable to diocese	6,518,848	6,692,000
514,814	National Insurance	544,366	535,300
Grants			
20,100	Suffragan bishops' housing & council tax	20,156	20,300
45,705	Clergy administration	31,645	36,695
80,291	Archdeacons' operating expenses	76,416	78,956
35,600	Archdeacons' housing & council tax	35,538	35,900
13,846	Bishop's chaplain's housing & council tax	14,472	14,300
-	BMO & Other costs	2,152	-
58,581	First appointments	62,926	70,000
120,595	Removal	115,881	90,000
116,118	Resettlement	104,899	100,000
116,554	For services & exps for vacancies/sickness	98,332	110,000
<u>7,518,864</u>	Total - Clergy stipends, grants and fees	<u>7,625,631</u>	<u>7,783,451</u>
<u>2,304,231</u>	<u>CLERGY PENSION CONTRIBUTIONS</u>	<u>2,380,462</u>	<u>2,390,355</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2016</u> £		<u>ACTUAL</u> <u>2017</u> £	<u>BUDGET</u> <u>2017</u> £
<u>CLERGY HOUSING</u>			
Property			
698,985	Quinquennial repairs	880,924	1,092,864
939,166	Ingoing works	611,128	470,000
615,603	Interim repairs	596,072	540,924
461,889	Improvements & decoration grants	579,118	422,147
58,737	Insurance	55,262	64,050
166,045	Fees	136,430	94,800
7,488	Housing rental costs	12,528	11,400
66,944	Water rates and council tax	34,076	47,985
<u>3,014,857</u>		<u>2,905,538</u>	<u>2,744,170</u>
Parsonages department			
315,371	Staff costs	319,784	331,300
16,761	Office expenses	19,809	19,907
9,881	Travel expenses	9,991	10,500
12,499	Miscellaneous expenses	18,477	26,924
<u>354,512</u>		<u>368,062</u>	<u>388,631</u>
<u>3,369,369</u>	Total - Clergy and layworkers housing	<u>3,273,600</u>	<u>3,132,801</u>
 <u>CLERGY, THEIR FAMILIES, WIDOWS & RETIRED CLERGY HOUSING</u>			
17,014	Housing costs	25,774	9,300
-	Grants for mortgages	-	1,000
-	Supplementary grants	-	2,000
78,157	Family support incl convalescent grants	59,595	50,000
1,947	Terry's Cross building insurance	1,709	2,000
<u>97,118</u>	Total - Clergy widows and retired clergy housing	<u>87,078</u>	<u>64,300</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2016</u> £		<u>ACTUAL</u> <u>2017</u> £	<u>BUDGET</u> <u>2017</u> £
<u>TRAINING - ORDINATION AND OTHER</u>			
153,550	Staff costs	176,653	171,160
9,750	Office expenses	12,562	12,612
3,000	Housing costs	2,388	6,700
6,152	Travel expenses	7,043	12,500
851	Resources and Equipment	1,254	950
25,000	Projects & conferences	50,235	25,000
120	Vocation & lay ministers adviser's exps	181	1,000
1,436	BAP conference fees & Travel expenses	2,862	3,000
12,355	Ordination candidates - single	17,302	21,450
215,873	Ordination candidates - family	183,330	208,670
-	Ordination training - block grant	7,372	-
2,853	Development of Vocations work	4,520	8,000
12,452	Post ordination training	30,258	25,000
22,602	Continuing education for clergy	25,200	30,100
4,971	Grants for conferences and retreats	9,386	4,000
301,825	Curate Housing costs	351,363	322,209
<u>772,790</u>		<u>881,908</u>	<u>852,351</u>
578,133	National church apportionment	631,410	631,410
<u>1,350,923</u>	Total - Training - ordination and other	<u>1,513,318</u>	<u>1,483,761</u>
<u>1,048,113</u>	<u>CHURCH INSURANCE PREMIUM</u>	<u>872,312</u>	<u>1,068,730</u>
<u>APOSTOLIC LIFE</u>			
Directorate			
40,313	Staff costs	46,275	43,700
2,062	Office expenses	2,326	3,648
2,296	Travel expenses	8	2,000
64	Resources & equipment	277	700
(24)	Projects & conferences	1,348	7,000
9,593	Diocesan Strategy Rollout	7,473	20,000
<u>54,304</u>		<u>57,707</u>	<u>77,048</u>
Christian Resources and Stewardship			
80,940	Staff costs	103,279	110,933
4,505	Office expenses	5,436	5,627
5,929	Travel expenses	7,099	4,000
378	Resources & equipment	697	1,750
22,559	Projects & conferences	32,874	38,200
<u>114,311</u>		<u>149,384</u>	<u>160,510</u>
Children and Young people			
91,589	Staff costs	85,239	82,500
3,789	Office expenses	4,733	5,597
22,140	Grant to St Bartz Trust (children work)	18,862	21,495
2,873	Travel expenses	4,448	2,500
875	Resources & equipment	1,803	1,075
19,066	Projects & conferences	26,142	12,700
<u>140,332</u>		<u>141,226</u>	<u>125,867</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2016</u> £		<u>ACTUAL</u> <u>2017</u> £	<u>BUDGET</u> <u>2017</u> £
	Ministry & Adult Christian Education		
45,726	Staff costs	52,650	47,630
2,175	Office expenses	2,732	3,388
0	Housing costs	18,832	6,700
1,493	Travel expenses & home office expenses	1,074	1,250
240	Resources & equipment	241	400
(288)	Projects & conferences	(2,016)	-
8,137	Diocesan Readers' Board	11,000	35,500
<u>57,483</u>		<u>84,513</u>	<u>94,868</u>
<u>366,430</u>	Total - Apostolic life	<u>432,831</u>	<u>458,293</u>
	<u>COMMON GOOD</u>		
	Social Concerns		
24,681	Staff costs	23,169	21,299
178	Office expenses	289	1,470
703	Travel expenses	1,398	3,000
95	Resources & equipment	0	400
30,479	Projects & conferences	17,077	14,100
<u>56,136</u>		<u>41,934</u>	<u>40,269</u>
	Workplace ministry		
54,882	Staff costs	51,794	56,420
7,100	Housing costs	6,510	7,300
3,260	Travel expenses & home office expenses	4,353	4,100
45	Projects & Conferences	12,652	4,350
<u>65,287</u>		<u>75,309</u>	<u>72,170</u>
	Grants to other councils & organisations		
23,730	Diocesan Overseas Council	34,928	30,365
3,988	European Ecumenical cttee + conferences	2,173	4,580
35,702	University chaplain's stipend & housing	36,404	38,264
	Other organisations		
36,000	Diocesan Assn for Family Support Work	36,000	36,000
<u>99,420</u>		<u>109,505</u>	<u>109,209</u>
<u>220,842</u>	Total - Common Good	<u>226,748</u>	<u>221,648</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2016</u> £		<u>ACTUAL</u> <u>2017</u> £	<u>BUDGET</u> <u>2017</u> £
<u>DIOCESAN BOARD OF EDUCATION</u>			
378,963	Staff costs	485,909	559,000
124,183	Consultant Costs	162,106	203,000
26,533	Office expenses	31,586	32,481
20,169	Travel expenses	23,272	20,000
26,631	Resources & equipment	19,097	28,900
82,414	Projects & conferences	68,097	70,110
8,898	Miscellaneous expenses	15,569	25,000
(42,000)	Less: Grant - Aided Schools fund	(42,000)	(42,000)
<u>(207,602)</u>	Less: sales of services	<u>(168,116)</u>	<u>(175,000)</u>
<u>418,189</u>		<u>595,521</u>	<u>721,491</u>
<u>SAFEGUARDING</u>			
155,503	Staff costs	151,626	171,400
9,369	Office expenses	11,974	10,784
4,472	Travel expenses	4,369	4,000
4,910	Resources & equipment	14,609	1,550
10,528	Projects & conferences	16,404	12,000
<u>23,132</u>	Miscellaneous expenses	<u>20,612</u>	<u>15,500</u>
<u>207,914</u>		<u>219,593</u>	<u>215,234</u>
<u>DIOCESAN ADVISORY COMMITTEE (DAC)</u>			
37,790	Staff costs	40,961	46,650
5,195	Office expenses	5,637	4,038
4,345	Travel expenses	7,082	7,000
1,287	Resources & equipment	1,301	675
1,322	Projects & conferences	1,412	2,460
<u>1,626</u>	Miscellaneous expenses	<u>970</u>	<u>2,550</u>
<u>51,565</u>		<u>57,363</u>	<u>63,373</u>
<u>PASTORAL COMMITTEE</u>			
32,266	Staff costs	34,707	37,050
1,941	Office expenses	2,278	2,488
629	Travel expenses	344	500
-	Resources & equipment	947	1,700
-	Projects & conferences	-	500
<u>6</u>	Miscellaneous expenses	<u>7</u>	<u>-</u>
<u>34,842</u>		<u>38,284</u>	<u>42,238</u>
<u>67,542</u>	<u>CLOSED CHURCHES</u>	<u>70,736</u>	<u>85,000</u>
<u>GLEBE ADMINISTRATION</u>			
15,675	Repairs & improvements	25,150	9,600
360	Agents' fees	292	6,000
748	Rent collection expenses	0	6,000
10,008	Legal fees	15,341	15,000
<u>28,960</u>	Planning costs	<u>8,864</u>	<u>6,000</u>
<u>55,751</u>		<u>49,647</u>	<u>42,600</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2016</u> £		<u>ACTUAL</u> <u>2017</u> £	<u>BUDGET</u> <u>2017</u> £
<u>84,564</u>	<u>INVESTMENT MANAGERS FEES</u>	<u>128,766</u>	<u>95,000</u>
	<u>COMMUNICATIONS</u>		
38,303	Staff costs	39,793	38,900
26,943	Consultant costs	26,900	23,400
1,917	Office expenses	2,983	2,748
107	Travel expenses	314	800
8,485	Resources & equipment	4,242	15,000
18,840	Diocesan magazine - expenses	16,848	20,000
(168)	Diocesan magazine - income	(9,700)	(11,500)
4,153	Directories & sundry	(2,259)	150
188	Projects and Conferences	2,180	1,350
<u>98,768</u>		<u>81,301</u>	<u>90,848</u>
	<u>INFORMATION TECHNOLOGY (IT)</u>		
29,457	Staff costs	29,999	30,100
3,559	Office expenses	4,455	4,687
-	Travel expenses	101	160
124,640	Resources & equipment	150,651	128,918
14,201	Website development	4,869	1,700
<u>171,857</u>		<u>190,074</u>	<u>165,565</u>
	<u>GENERAL OFFICE: FINANCE, GOVERNANCE AND ADMINISTRATION</u>		
	(Including costs of the Diocesan Synod, Bishop's Council, Board of Finance, Schools finance & other sub committees)		
514,785	Staff costs	535,919	496,900
4,177	Staff training	10,657	8,200
5,426	Postage and telephone	(7,474)	2,310
(4,151)	Printing and stationery	2,895	(19,600)
31,630	Other office expenses	37,192	42,573
8,544	Office equipment depreciation	6,308	10,000
49,473	Hire of equipment	30,494	26,000
2,101	Equipment maintenance	948	3,500
22,185	Building light, heat, repairs, cleaning	18,713	700
2,285	Staff travel expenses	1,925	2,500
213	Committee members expenses	44	500
5,418	Diocesan synod /Bishop's Council	4,539	7,800
-	Election	-	300
22,110	External audit	26,400	20,400
2,160	Internal audit	0	9,000
6,310	Bank charges	5,679	6,200
1,320	Legal fees - general	3,059	17,100
52,179	Legal - Chancellor, Registrar & solicitor	41,285	50,000
<u>726,165</u>		<u>718,585</u>	<u>684,383</u>
	<u>EXCEPTIONAL ITEMS</u>		
6,031	Land registry project	9,513	-
37,696	Magnet centre	5,437	13,000
<u>43,727</u>		<u>14,950</u>	<u>13,000</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2016</u> £		<u>ACTUAL</u> <u>2017</u> £	<u>BUDGET</u> <u>2017</u> £
	<u>NATIONAL CHURCH RESPONSIBILITIES</u>		
497,278	National Church & General Synod cost	535,119	532,528
34,228	Mission agencies & CPAS pensions	5,513	5,513
189,817	Retired clergy housing scheme	198,261	198,261
10,672	General Synod members' travel expenses	9,888	16,000
<u>731,995</u>		<u>748,780</u>	<u>752,302</u>
<u>18,968,769</u>	TOTAL EXPENDITURE	<u>19,325,581</u>	<u>19,574,373</u>

UNRESTRICTED FUND - BALANCE SHEET
AS AT 31 DECEMBER 2017

<u>2016</u>			<u>2017</u>
£		£	£
	Tangible fixed assets		
6,019,664	Properties (page 11)		6,085,931
25,227	Furniture, fittings & equipment		18,919
<u>6,044,891</u>			<u>6,104,850</u>
	Investments		
123,621	Investments		131,879
<u>6,168,512</u>			<u>6,236,729</u>
	Current assets		
487,147	Debtors	426,113	
630,544	Loans	617,265	
3,740,697	Bank & Cash Deposit accounts	<u>4,935,875</u>	
<u>4,858,388</u>			5,979,253
	Less current liabilities		
(1,045,275)	Creditors	(1,364,788)	
<u>(1,045,275)</u>			<u>(1,364,788)</u>
3,813,113	Net current assets		4,614,465
	Less long term liabilities		
<u>(205,000)</u>	Loans	<u>(150,000)</u>	(150,000)
<u>9,776,625</u>	NET ASSETS		<u>10,701,194</u>
	FUNDS		
	General fund		
2,282,205	Balance brought forward 1 January	3,174,077	
49,496	Excess income over expenditure for year	43,139	
832,000	Reallocation of payments: Clergy pension liability - 2016	-	
-	Reallocation of payments: Clergy pension liability - 2017	863,000	
10,376	Unrealised gain on revaluation of investments	8,215	
-	Net transfers to Restricted fund (Block grant, welfare, investment manager fees)	40,950	
<u>3,174,077</u>	Total General fund		<u>4,129,381</u>
6,602,548	Designated funds (page 14)		6,571,813
<u>9,776,625</u>	TOTAL FUNDS		<u>10,701,194</u>

PROPERTY IN THE OWNERSHIP OF THE BOARD OF FINANCE

<u>Date</u>		<u>2016</u>	<u>2017</u>
<u>Acquired</u>		<u>Valuation</u>	
	<u>MISCELLANEOUS PROPERTIES</u>		
Sept 95	Church House, New Church Rd Hove	4,349,221	4,349,221
April 02	The Chapel, Pulborough	357,403	361,334
	<u>RETIRED CLERGY HOUSES</u>		
Sept 83	49 Westgate, Chichester	165,009	227,315
Dec 87	12 Walsingham Road, Hove	575,320	575,320
Jan 06	19 Mill Close, Fishbourne (leasehold)	572,711	572,741
	TOTAL VALUATION OR COST	<u>6,019,664</u>	<u>6,085,931</u>
	NET BOOK VALUE	<u><u>6,019,664</u></u>	<u><u>6,085,931</u></u>

Miscellaneous church properties vested in the Board of Finance following closure for public worship

Brighton, Holy Trinity	Hove, St Patrick *
Brighton, St Peter *	Lowfield Heath, St Michael and All Saints
Stanmer	Milland Old Chapel
Burgess Hill, St John (part)	Rumboldswyke, St Mary
Chichester, St Bartholomew	Southwick, St Peter
Chichester, St Olaf	Spithurst, St Bartholomew
Eastbourne, St Elisabeth	St Leonards-on-Sea, St Peter and St Paul
Hammerwood, St Stephen	West Lavington, St Mary Magdalene
Hastings, All Souls	Wiston, St Mary
Holtye, St Peter	Woolavington, St Peter's Church
Hove, St John the Baptist Day Centre	Worthing, St Paul

* Public worship according to the rites and ceremonies of the Church of England continues to take place in these buildings under licence

PARISH SHARE SUMMARY 2017

<u>Net Parish Ministry Costs</u>		<u>Deanery promise</u>	<u>Amount collected</u>	<u>Percentage of receipts to promise</u>	
		£	£	<u>2017</u>	<u>2016</u>
				%	%
<u>ARCHDEACONRY OF CHICHESTER</u>					
1,035,633	Arundel & Bognor Deanery	1,035,633	971,116	93.8	94.9
842,961	Chichester Deanery	809,174	754,124	93.2	100.0
1,100,998	Worthing Deanery	891,744	887,744	99.6	100.0
381,209	Westbourne Deanery	381,209	377,892	99.1	100.0
<u>3,360,801</u>		<u>3,117,760</u>	<u>2,990,875</u>	<u>95.9</u>	<u>98.2</u>
<u>ARCHDEACONRY OF HORSHAM</u>					
824,502	Cuckfield Deanery	803,466	774,953	96.5	99.3
812,019	East Grinstead Deanery	799,654	798,780	99.9	98.2
958,132	Horsham Deanery	874,104	865,451	99.0	99.8
630,010	Hurst Deanery	663,426	663,426	100.0	100.0
392,509	Midhurst Deanery	392,502	392,502	100.0	98.5
456,253	Petworth Deanery	454,378	454,378	100.0	99.9
448,025	Storrington Deanery	439,854	439,854	100.0	100.0
<u>4,521,450</u>		<u>4,427,384</u>	<u>4,389,344</u>	<u>99.1</u>	<u>99.3</u>
<u>ARCHDEACONRY OF HASTINGS</u>					
498,524	Battle & Bexhill Deanery	498,524	489,372	98.2	100.0
606,581	Dallington Deanery	532,639	531,255	99.7	99.1
1,060,495	Eastbourne Deanery	1,060,495	1,050,691	99.1	99.8
730,372	Hastings Deanery	516,491	499,702	96.7	100.0
646,652	Rotherfield Deanery	667,642	667,642	100.0	100.0
451,072	Rye Deanery	451,072	441,800	97.9	99.4
604,599	Uckfield Deanery	490,222	490,222	100.0	100.0
<u>4,598,295</u>		<u>4,217,084</u>	<u>4,170,684</u>	<u>98.9</u>	<u>99.8</u>
<u>ARCHDEACONRY OF BRIGHTON & LEWES</u>					
1,125,934	Brighton Deanery	1,125,038	1,113,395	99.0	97.2
741,127	Hove Deanery	741,127	720,747	97.3	95.4
1,037,647	Lewes & Seaford Deanery	901,671	901,671	100.0	99.1
<u>2,904,708</u>		<u>2,767,837</u>	<u>2,735,814</u>	<u>98.8</u>	<u>97.3</u>
<u>15,385,254</u>	Total	<u>14,530,065</u>	<u>14,286,717</u>	<u>98.3</u>	<u>98.8</u>
57,183	Prior Year Parish Share		170,921		
<u>15,442,437</u>	Total including prior years	<u>14,530,065</u>	<u>14,457,638</u>	<u>99.5</u>	<u>99.2</u>

Reconciliation:

less amounts transferred to deanery reserves	(33,416)
add unallocated amounts released from deanery reserves	<u>30,530</u>
Total Parish Share reported	14,454,752

ENDOWMENT AND RESTRICTED FUNDS - BALANCE SHEET
AS AT 31 DECEMBER 2017

<u>2016</u>		<u>2017</u>
£	<u>PROPERTY AT VALUATION</u>	£
5,167,433	Terry's Cross main house - Terry Cross Fund	5,167,433
624,389	Chaplaincy House, Falmer - University Fund	631,257
1,525,731	Deserted Widows property - Clergy Welfare fund	1,542,514
159,972,655	Parsonage property - Parsonage fund	182,953,411
40,600,921	Glebe property - Stipend fund	44,927,256
4,334,726	Glebe Land - Stipend Fund	4,103,611
<u>212,225,855</u>		<u>239,325,482</u>
	 <u>INVESTMENTS AT MARKET VALUE</u>	
16,376,253	M&G Charifund units	15,638,910
26,397	M&G Charibond units	25,973
12,592,193	Charles Stanley Portfolio	13,340,520
2,062,060	EdenTree - Amity Balance fund for Charities	-
6,293,806	JM Finns Portfolio	6,595,655
-	Cazenove Portfolio	6,750,286
-	CBF investment fund	-
2,631,383	CBF fixed interest security shares	-
<u>39,982,092</u>		<u>42,351,344</u>
	 <u>CURRENT ASSETS</u>	
790,950	Loans	468,753
3,430	Debtors	973
1,640,817	Bank & Cash Deposit accounts	620,712
<u>2,435,197</u>		<u>1,090,438</u>
254,643,143		<u>282,767,264</u>
	 <u>LESS: CURRENT LIABILITIES</u>	
(1,401,574)	Loans to the Board for houses purchased for deserted spouses	(1,805,494)
(66,069)	Creditors	
(6,587,000)	Clergy pension scheme	(5,646,000)
(702,209)	Other equity sharing loans	-
<u>(8,756,852)</u>		<u>(7,451,494)</u>
<u>245,886,291</u>		<u>275,315,770</u>
	 FUNDS (page 14)	
227,189,973	Endowment funds	257,052,772
18,488,493	Restricted funds	18,262,997
<u>245,678,466</u>		<u>275,315,769</u>

BREAKDOWN OF ENDOWMENT, RESTRICTED AND DESIGNATED FUNDS

<u>ENDOWMENT FUNDS</u>	Balance 01/01/2017	Income	Expendi- ture	Revaluation of property / investments	Balance 31/12/2017
	£	£	£	£	£
Diocesan stipends fund (p15)	50,225,833	1,184,205	-	6,075,711	57,485,749
Parsonage Fund (p17)	164,417,237	(771,688)	-	23,374,572	187,020,121
Clergy welfare fund	2,190,219	-	-	152,486	2,342,705
Elfinsward trust	2,068,194	-	-	149,573	2,217,767
Terry's Cross	5,262,580	-	-	-	5,262,580
Jenkinson trust	47,955	-	-	3,339	51,294
Training fund	863,212	-	-	60,533	923,745
University chaplaincy	614,305	-	-	8,703	623,008
Hayllar trust	70,716	-	-	4,697	75,413
The Poling Fund	620,542	-	-	40,145	660,687
The Arnold Bequest	363,706	-	-	25,998	389,704
	226,744,499	412,517	-	29,895,757	257,052,772

Note: Endowment funds consist of invested capital. Realised gains are shown as income in the individual Endowment funds. Investment income from the Diocesan stipend, Elfinsward and Training funds credited to the general fund (see pg 2). All other income is credited to restricted funds (see below).

<u>RESTRICTED FUNDS</u>	Balance 01/01/2017	Income	Expendi- ture Transfer	Revaluation of property/ investments	Balance 31/12/2017
	£	£	£	£	£
Diocesan pastoral account (p16)	16,661,521	24,768	(2,258,592)	1,450,465	15,878,163
Clergy welfare fund	1,134,228	100,162	(94,426)	1,367	1,141,331
B Wild Clergy Welfare Fund	908,797	-	(62,525)	-	846,272
The Poling Fund	493	28,738	(24,808)	-	4,422
Clergy widows	46,794	15	(2,400)	-	44,409
University chaplaincy	34,046	1,328	(111)	-	35,263
Jenkinson trust	18,262	2,179	(1,550)	-	18,891
Hayllar trust	79,545	3,571	(10,533)	-	72,583
World Church Experience	47,542	-	(4,200)	-	43,342
Harvest Appeal	72,611	41,488	(53,247)	-	60,852
The Arnold Bequest	42,513	17,289	(20,197)	-	39,605
Hospital Chaplaincy	-	20,000	(50)	-	19,951
Reader Committee	15,757	13,230	(10,540)	-	18,447
Schools resources	4,550	-	-	-	4,550
ADs' funds - Care of Churches	12,270	-	-	-	12,270
Scorner Music fund	19,412	-	-	-	19,412
Diocesan Pilgrimage - Holy Land	10,934	-	(10,934)	-	-
Strategic Development Funding	-	157,320	(174,005)	-	(16,686)
RME Block grant	-	50,758	(58,130)	-	(7,372)
Youth development/leadership	32,517	-	(5,225)	-	27,292
	19,141,792	460,845	(2,791,472)	1,451,832	18,262,997

Note: Investment income from the Pastoral account is credited directly to the general fund (see pg 2)

<u>DESIGNATED FUNDS</u>	Balance 01/01/2017	Income	Expendi- ture	Transfers & revaluations	Balance 31/12/2017
	£	£	£	£	£
Property fund	6,013,664	-	-	66,267	6,079,931
Clergy Conference 2018	25,000	12,900	(2)	50,000	87,898
Parish mission fund	535,926	38,253	(264,173)	65,805	375,811
Bishop Certificates	11,905	271	(12)	(44)	12,120
Ecumenical officer fund	16,053	-	-	-	16,053
	6,602,548	51,424	(264,187)	182,028	6,571,813

DIOCESAN STIPENDS FUND CAPITAL ACCOUNT
31 December 2017

Balance 1 January 2017	£ 50,225,833
	50,225,833

INCOME

<u>Sale of Glebe property etc.</u>	Valuation	Proceeds	Profit/(loss)
34 Glebelands, Pulborough	377,166	389,515	12,349
17 Colvill Avenue, Shoreham	334,161	437,014	102,853
Pilgrim's End, Icklesham	311,430	303,516	(7,914)
Vicarage, Coldwaltham	615,414	780,242	164,828
Driftway, Upper Beeding	719,472	523,965	(195,507)
3 Madeira Ave, Worthing	440,385	639,770	199,385
107a Gardner Road, Portslade	506,417	534,165	27,748
30 Bigwood Avenue	888,791	819,616	(69,175)
Warnham glebe land	15,141	964,779	949,638
	4,208,377	5,392,582	1,184,205

TOTAL INCOME 1,184,205

REVALUATIONS OF ASSETS AND PENSION LIABILITY

Revaluation of Glebe property for the 12 months at 31st December 2017	5,121,946
Revaluation of Glebe land for the 12 months at 31st December 2017	(215,974)
Revaluation of Clergy Pension Deficit at 31st December 2017	78,000

GAINS/(LOSS) ON REVALUATION OF INVESTMENTS

Realised gain/(loss) on sale of Charles Stanley Portfolio	9,577
Realised gain/(loss) on sale of Cazenove Portfolio	(14,872)
Realised gain/(loss) on sale of JM Finns Portfolio	(34,971)
Gain/(loss) on disposal of CBF FIS shares	7,153
Gain/(loss) on disposal of M&G Charifund units	20,692
	(12,421)
Unrealised gain/(loss) on revaluation of CBF FIS shares	475,077
Unrealised gain/(loss) on revaluation of Charles Stanley Portf	137,359
Unrealised gain/(loss) on revaluation of JM Finns Portfolio	419,875
Unrealised gain/(loss) on revaluation of M&G Charifund units	71,849
	1,104,160

NET GAIN ON REVALUATION OF INVESTMENTS 1,091,739

Balance 31 December 2017	57,485,749
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REPRESENTED BY:

	<u>Market value</u> £
CBF Fixed Interest Shares	-
Charles Stanley Portfolio	6,233,175
JM Finns Portfolio	2,835,206
M&G Charifund units	6,430,361
Cazenove Portfolio	1,882,113
	17,380,855
Glebe Property at Valuation	44,898,601
Glebe Land at Valuation	4,703,611
Cash at bank	(3,851,318)
Creditor - Clergy pension Fund Liability	(5,646,000)
	57,485,749

MEMO

Purchase & transfers of Glebe properties

9 St Peter's Place, Brighton	1,173,510
19 Buckingham Avenue, Shoreham	641,829
3 Norbury Drive, North Lancing	588,298
12 Palmers Field Avenue, Chichester	618,248
Trf Bury house to parsonage	(774,746)
Trf 107a Gardner Road from Parsonage Fund	506,417
Trf Coldwaltham from Parsonage Fund	615,414
	3,368,971

DIOCESAN PASTORAL ACCOUNT
31 December 2017

£

Balance 1 January 2017 16,661,521

INCOME

Sale of land

Surplus on sale and purchase of Cuckfield parsonage	448,949	
Sale of St Philips Eastbourne parsonage	15,601	
Sale of land at Christ Church Eastbourne	9,167	
	473,717	

Sale of redundant church

TOTAL INCOME

473,717

EXPENDITURE

Grants

MAT re operating costs	(111,000)	
Brighton deanery (closed church)	(50,689)	
St John Sub Castro - correct prior years	(86,663)	
Hove deanery (closed church)	(196,547)	
R&R grant - year 3	(100,000)	
St Richard's Hollingdean	(13,692)	
Cuckfield PCC (re parsonage)	(25,000)	
	(583,591)	

TRANSFER TO OTHER FUNDS

Mission Fund	(65,805)	
General Fund for education	(228,000)	
General Fund for Clergy housing	(1,447,000)	

TOTAL EXPENDITURE AND TRANSFER

(2,324,396)

GAINS/(LOSS) ON REVALUATION OF INVESTMENTS

Realised gain/(loss) on sale of Charles Stanley Portfolio	6,707	
Realised gain/(loss) on sale of Cazenove	(34,684)	
Realised gain/(loss) on sale of JM Finns Portfolio	(35,460)	
Gain/(loss) on disposal of CBF FIS shares	9,914	
Gain/(loss) on disposal of Edentree	42,461	
Gain/(loss) on disposal of M&G Charifund units	20,609	
	9,548	

Unrealised gain/(loss) on revaluation of Charles Stanley Portfolio	332,735	
Unrealised gain/(loss) on revaluation of JM Finns Portfolio	139,280	
Unrealised gain/(loss) on revaluation of M&G Charifund units	418,197	
Unrealised gain/(loss) on revaluation of Cazenove Portfolio	167,561	
	1,057,773	

NET GAIN ON REVALUATION OF INVESTMENTS

1,067,321

Balance 31 December 2017

15,878,163

REPRESENTED BY:

	<u>Market value</u>
	£
Investments	
CBF Fixed Interest Shares	-
Edentree - Amity Balanced fund for charities	-
Charles Stanley Portfolio	4,365,599
JM Finns Portfolio	2,874,860
M&G Charifund units	6,404,665
Cazenove	4,389,307
	18,034,430
Debtors	858
Cash at bank	(2,157,125)
Creditors	-

15,878,163

PARSONAGE FUND
31 December 2017

£

Balance 1 January 2017 164,417,237

INCOME

<u>Sale of parsonages etc.</u>	Valuation	Proceeds	Profit/(loss)
West Grinstead Rectory	1,008,229	1,297,011	288,782
41 Bramber Ave, Peacehaven	485,874	453,539	(32,335)
Warnham parsonage*	829,186	250,000	(579,186)
	<u>2,323,289</u>	<u>2,000,550</u>	<u>(322,739)</u>

Transfer profit on Cuckfield rectory to pastoral account (448,949)

TOTAL INCOME (771,688)

Revaluation of property for the 12 months to 31st December 2017 23,374,572

Balance 31 December 2017 187,020,121

REPRESENTED BY:

Parsonage Property at Valuation 31/12/17	182,953,412
Cash at bank	4,066,709
	<u><u>187,020,121</u></u>

MEMO

Purchase & transfers of parsonages

24 Denmark Villas, Hove	1,453,785
Hookshile, Partridge Green	802,500
Trf Bury house from glebe	774,746
Trf 107a Gardner Rd to Glebe	(506,417)
Trf Coldwaltham to Glebe	(615,414)
	<u>1,909,200</u>

* A new parsonage will be constructed for Warnham in due course and its value added after construction.

ARCHDEACON'S LOAN FUNDS - BALANCE SHEET AT 31/12/17

	<u>Sussex Church Campaign</u>	<u>Denne</u>	<u>Godman</u>	<u>Rawson</u>	<u>TOTAL</u>
	£	£	£	£	£
<u>CAPITAL</u>					
At 1 January 2017	114,961	219,421	85,667	112,248	532,297
Unrealised gains/(loss) on revaluation of investments	7,577	7,524	5,530	6,572	27,203
At 31 December 2017	122,538	226,945	91,197	118,820	559,500
<u>Investments at market value</u>					
M&G Charifund units	116,778	128,044	85,436	102,733	432,991
CBF F.I.S. shrs	5,760	98,900	5,761	16,087	126,508
	122,538	226,945	91,197	118,820	559,500
 <u>ACCUMULATED INCOME</u>					
At 1 January 2017	244,096	439,639	213,168	268,878	1,165,781
Investment income 2017	5,735	10,144	4,480	5,592	25,951
	249,831	449,783	217,648	274,470	1,191,732
 Represented by:					
CBF deposits	69,385	154,673	130,587	101,665	456,310
Bank	36,913	60,539	1,724	11,805	110,980
Loans outstanding	143,533	234,571	85,338	161,000	624,442
	249,831	449,783	217,648	274,470	1,191,732
 Funds currently available	 106,298	 215,212	 132,310	 113,470	 567,290

AIDED SCHOOLS FUND
INCOME & EXPENDITURE 2017

<u>2016</u>		<u>2017</u>	
£	INCOME	£	£
<u>27,513</u>	Dividends and interest	<u>24,825</u>	
27,513	TOTAL INCOME		24,825
	EXPENDITURE		
42,000	DBF administration charge	42,000	
-	Grant to Chichester Multi Academy Trust	-	
<u>328</u>	Bank charges	<u>218</u>	
(42,328)	TOTAL EXPENDITURE		(42,218)
60,646	UNREALISED GAIN/(LOSS) ON REVALUATION OF INVESTMENTS		37,614
<u>45,831</u>	NET MOVEMENT IN FUNDS		<u>20,221</u>

BALANCE SHEET 31/12/16

£		
1,873,939	Balance 1 January	1,919,770
45,831	Profit/(loss) for the year	<u>20,221</u>
<u>1,919,770</u>	Balance 31 December	<u>1,939,991</u>
	REPRESENTED BY:	
809,225	Investments at market value	846,839
19,606	Long term loans to governors	6,022
242,096	Debtor - Building project loans (repayable by DCSF, LEA & school govts)	327,881
68,446	Debtors	114,580
818,001	CBF deposit	819,721
868,186	Cash at bank	188,156
(779,420)	Creditor - Building project loans (repayable to LEA)	(232,493)
(86,723)	Creditors	(91,069)
<u>(39,647)</u>	Contingent liability	<u>(39,647)</u>
<u>1,919,770</u>		<u>1,939,990</u>

FUNDS HELD IN TRUST
FOR PARISHES AND OTHER ORGANISATIONS
YEAR ENDING 31 DECEMBER 2017

2016		2017
£		£
<u>PARISH TRUSTS</u>		
13,861,141	Capital	14,551,447
99,266	Income	67,623
<u>13,960,407</u>		<u>14,619,070</u>
REPRESENTED BY:		
13,242,651	Investments at market value	14,022,549
3,300	Sundry debtors	3,300
613,857	Central Board of Finance deposits	602,790
(184,100)	Creditor	(105,151)
284,699	Cash at bank	95,582
<u>13,960,407</u>		<u>14,619,070</u>
<u>CHANCEL TRUSTS</u>		
472,493	Capital held in trust for chancels	529,196
3,710	Capital held on account for administration	3,595
228,114	Accumulated income (claimable by parishes)	245,730
<u>704,317</u>		<u>778,521</u>
REPRESENTED BY:		
486,203	Investments at market value	542,791
233,451	Central Board of Finance deposits	245,252
(15,337)	Creditor	(9,522)
<u>704,317</u>		<u>778,521</u>
<u>EDUCATION TRUST FUNDS</u>		
<u>3,078,843</u>	Funds held for Governors and Trustees	<u>2,281,818</u>
REPRESENTED BY:		
1,529,792	Investments at market value	1,147,126
1,549,051	Current deposits and bank	1,134,692
<u>3,078,843</u>		<u>2,281,818</u>

Reconciliation of Red Book and Statutory Accounts - 2017

	UF £	DF £	RF £	EF £	Total £	
Income per Red Book	17,693,720	51,424	460,845	412,517		
AD Loans			25,951			
Schools			24,825			
	<u>17,693,720</u>	<u>51,424</u>	<u>511,621</u>	<u>412,517</u>	<u>18,669,282</u>	
Adjustments:						
Surplus on glebe sale. Inc in Red Book and investment gain in stat accounts				(949,638)	(949,638)	
Transfer of parsonage. Inc in Red book and trf in stat accounts				448,949		
Stipend fund inc - restricted in stat accounts and UF in Red Book	(734,237)		734,237		-	
Training fund - restricted in stat accounts and UF in Red Book	(39,311)		39,311		-	
Welfare trust income - internal transfer. Not in stat accounts	(59,595)				(59,595)	a
SLA income - reported in stat accounts and net off expenditure in Red Book	168,116				168,116	b
Magnet income - reported in stat accounts and net off expenditure in Red Book	2,500				2,500	b
Workplace income - reported in stat accounts and net off expenditure in Red Book	3,333					
Officers Housing - internal transfer. Not in stat accounts	(44,400)				(44,400)	c
Glebe income - restricted in stat accounts and UF in Red Book	(287,730)		287,730		-	
Parish Trust income - restricted in stat accounts and UF in Red Book	(95,656)		95,656		-	
Guaranteed annuities - not reported in Red Book			18,523		18,523	d
Collections - restricted in stat accounts and UF in Red Book	(100)		100		-	
Interest paid - net off income in stat accounts	(199)					
Rounding	18					
Adjusted Red Book total - income	<u>16,606,459</u>	<u>51,424</u>	<u>1,687,178</u>	<u>(88,172)</u>	<u>18,256,889</u>	
Statutory accounts totals - income	16,606,459	51,424	1,687,178	(88,172)	18,256,889	
	(0)	(0)	0	0		

	UF £	DF £	RF £	EF £	Total £	
Expenditure per Red Book	19,325,581	264,187	2,791,472	-		
AD Loans			-			
Schools			42,218			
	<u>19,325,581</u>	<u>264,187</u>	<u>2,833,690</u>	<u>-</u>	<u>22,423,459</u>	
Adjustments:						
Pension fund movement - not reported in Red Book	(78,000)				(78,000)	
Glebe administration - RF in stat accounts	(49,647)		49,647		-	
Stipends - RF in stat accounts	(1,012,395)		1,012,395		-	
Pension deficit contribution - movement in creditors in stat accounts	(863,000)				(863,000)	
Housing costs met from Pastoral fund - shown below the line in Red Book	(1,447,000)				(1,447,000)	
Education costs met from Pastoral fund - shown below the line in Red Book	(228,000)					
Grant from Aided Schools fund - trf in stat accounts	42,000		(42,000)		-	
SLA income - reported in stat accounts and net off expenditure in Red Book	168,116				168,116	b
Magnet income - reported in stat accounts and net off expenditure in Red Book	2,500				2,500	b
Workplace donation	3,333					
Bishops' housing and council tax. Internal transfer. Not in stat accounts	(13,200)				(13,200)	c
AD housnig and council tax - internal transfer. Not in stat accounts	(22,000)				(22,000)	c
Welfare trust expenditure - internal transfer. Not in stat accounts	(59,595)				(59,595)	a
Clergy, Families, Widows etc housing. In RF in stat accounts	(27,483)				(27,483)	
Clergy conference - trf in stat accounts	(50,000)				(50,000)	
Guaranteed annuities - not reported in Red Book			18,523		18,523	d
Training costs - in RF is stat accounts	(7,372)					
Training costs - in RF is stat accounts	(36,517)		36,517		-	
Workplace ministry housing costs - internal transfer - not in stat accounts	(4,600)				(4,600)	c
University housing costs - internal transfer - not in stat accounts	(4,600)				(4,600)	c
Investment manager fees in RF in stat accounts (stipends)	(55,582)		55,582		-	
Investment manager fees in RF in stat accounts (training fund)	(2,894)		2,894		-	
Investment manager fees in RF in stat accounts (training fund)	(4,388)					
Bank charges	153					
Difference	105		6			
	<u>15,575,515</u>	<u>264,187</u>	<u>3,967,254</u>	<u>-</u>	<u>19,806,956</u>	
Adjusted Red Book total	15,575,515	264,187	3,967,254	-	19,806,956	
Statutory accounts totals	15,575,515	264,187	3,967,254	-	19,806,956	

TRUSTEESHIP

The Chichester Diocesan Fund and Board of Finance (Inc.) being a duly appointed Trust Corporation, is the official body to act as trustees for Church trusts and ecclesiastical charities, under either deeds or wills.

The Board is the diocesan authority within the meaning of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964. Under these Measures parochial church councils and incumbents and churchwardens respectively are required to obtain the consent of the Board before acquiring an interest in land (other than a short lease) or in funds to be held on permanent trusts. Such assets are to be vested in the board as custodian trustees, but management and administration are with the parochial church council or incumbent and churchwardens as the case may be.

Good Stewardship and Financial Challenges for your church

In a busy and fast-changing age a parish church is a symbol of stability and sameness reaching out to each parishioner's sense of history; reaching through the generations and speaking of the timelessness and togetherness of their town or village life. When many memories seem to be disappearing, the parish church establishes a focus and a reality of faith and meaning that most people would like to continue and support.

But every local church has its own varied and special set of financial challenges. For a few, regular donations and legacies provided by those who came before us, provide a sense of self-sufficiency and sustainability – the church reaches into its local population, who are more than willing to provide the money needed to ensure its work continues and even, in some cases, expands to meet ever-changing situations. For some there are major building or project costs to be funded and for others, even meeting running costs is severely challenging their faith to keep calm and carry on.

Some churches are experiencing a change in the ability or willingness of parishioners to donate the necessary sums to maintain the church and to provide that link with history; experiencing falling income and cost-cutting, which ultimately leads to closure rather than to expansion.

Help is at hand! While there is no universal model or solution, no “magic money tree” nor printing press, there is some well-organised guidance online. The starting point is www.chichester.anglican.org/money from where you will be quickly guided to resources of interest. Follow this up with a call to the Parish Advisor (01273 425797 or email john.kemp@chichester.anglican.org) and you'll find us ready to discuss the challenges you face realistically and identify solutions for encouraging congregations to consider more generous and tax-efficient giving.

While the challenges are significant, there's no reason to be pessimistic. Across our diocese, some £25million is given each year to, and through, our local churches. That's a huge sum reflecting the extraordinary generosity of the people of Sussex. But – looked at another way – it's a very tiny fraction of the total household disposable income across the Sussex area. So we can be optimistic about fundraising (because we know the people of Sussex to be generous) while we also know there is a huge potential, including a pool of disposable income, as yet untapped.

Diocesan initiatives will help local churches understand their populations in greater detail, and the Parish Advisor has access to a wealth of demographic and deprivation data.

For regular giving, the Parish Giving Scheme (PGS) is now used by nearly twenty Church of England dioceses. New ways of digital giving are also becoming mainstream and some churches are eagerly joining the moves to using new technology that is driving community communications in the 21st century.

These innovations may help, but they are not a substitute for the need for local churches to continue to inspire and engage the million-and-a-half people who live in Sussex, and to invite them to participate in and contribute to church life. Some of our parishes are exemplary in the way they do this – and we are looking to see their good practices echoed more widely across the Diocese.

The 'four tenets' of good church financial management do not change:

- Preach and teach generous giving in accordance with apostolic instruction
- Link the giving to mission and ministry rather than just maintenance of buildings
- Encourage an annual review of giving and its relationship to financial solvency
- Thank givers personally every year.

“For all things come from you, and of your own have we given you.” (1 Chronicles 29:14)

For more information, try www.chichester.anglican.org/money, search for other resources online or call 01273 425797 and ask for the Parish Advisor (PCC Governance, Stewardship and Finance).

Help for local churches seeking to resource their ministry

The Parish Giving Scheme (PGS) is now used by nearly twenty Church of England dioceses and is a very effective help in ensuring a stream of regular income for PCCs. Search for 'Parish Giving Scheme' online.

More online resources:

www.chichester.anglican.org/money

a good starting point for all money matters

www.parishresources.org.uk

an excellent website setting out all aspects of local church administration including cost saving ideas

www.churchlegacy.org.uk

a recently refurbished site with information about gifts in wills, or legacies

Four key points from 'Giving for Life'

- Preach and teach generous giving
- Link giving to mission and ministry
- Encourage annual review of giving
- Thank givers annually

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If you would like to speak to someone, call 01273 421021 and ask for Finance.