

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



2018

RED BOOK

106th ANNUAL REPORT AND FINANCIAL STATEMENTS

DIOCESAN SYNOD 18th May 2019

REPORT OF THE DIOCESAN FINANCE COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2018

The figures in this booklet present the management accounts for the Diocese of Chichester in a format that aims to be easily readable, with supporting narrative. There is an outline of the financial support we receive from parishes and all other sources of income, and our expenditure is shown in detail.

Overall our income, though just ahead of the 2017 figure, was below budget by over 1%. This may not sound much, but it was the major contributor to the deficit of £123,854 after Pastoral Fund transfers, against the budgeted figure of nil.

The “in-year” parish share figure, though showing a very small increase of 0.4% on the 2017 figure, fell short of budget by £326,070. After taking account of the collection of some historic parish share arrears, the overall parish share figure for 2018 was slightly down on 2017 which had benefited from the one-off boost in respect of deanery reserves.

Our expenditure for the year was kept under control and was slightly lower than expected in the budget. 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 also made, as agreed by Diocesan Synod in 2015.

In the introduction to the Red Book this time last year, our attention was drawn to the disparity of our income growth falling short of increases in expenditure, and the challenge we face of either raising our income or cutting our costs to balance the books. This is ever more the case, particularly with the good news of increasing numbers of ordinands and curates.

Investment markets had a challenging and volatile year, reaching low points around year-end, but recovering somewhat so far this year. The capital values of our investments at 31 December reflect this background. Importantly, our investment portfolio performed well during the year in terms of income, producing a yield of approximately 4%.

We have a strong team across Church House, Hove which serves us well in so many ways. It is a tribute to them, and particularly Gabrielle and Catherine, that the changes to our IT systems and accounting software made during the year were executed successfully. This improvement to our infrastructure is bearing dividends and has been well received.

We remain ever-reliant on the generosity of parishes to maintain our mission and ministry for all in our care. I would like to give thanks to all who work for and contribute to our Church life across Sussex, whether in high-profile roles or otherwise. All of this support is greatly appreciated.

Philip Bowden
Chairman
March 2019

DETAILED COMMENTS

The accounts published in this booklet, known as the Red book, reflect expenditure versus the budget for 2018 approved by Diocesan Synod in November 2017. 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 the Diocesan website. Those audited statutory accounts are presented to the annual general meeting of the Chichester 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 7)

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 £1,659,500 was budgeted for the year. It was budgeted that £1,659,500 would be transferred from the Pastoral Account: £1,447,000 towards property costs, and £212,500 towards education costs. The transfer in respect of property costs was the fourth 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 second made since Synod approved additional funding to support Church Schools in the diocese. The outturn after the transfer was a deficit of £123,854.

In 2018 the system for paying church insurance premiums changed. Until 2018 the DBF had paid the premiums on behalf of all churches to Ecclesiastical Insurance and then collected the amounts from churches as part of Parish Share. In 2018 churches paid their premiums directly to Ecclesiastical Insurance. The figures in the Red Book for 2017 have been amended to reflect this change. The premiums have not been affected by this change and parishes continue to benefit from the discount negotiated in 2017.

Overall income for 2018 was £190,412 below budget and was almost exactly equal to income in 2017. Current year parish contribution receipts were slightly ahead of 2017. Parish Share pledged for 2018 totalled £13,768,899, a 0.8% increase on the pledges for 2017. The low increase in pledges may have been due to caution on behalf of parishes as they paid the insurance premiums directly for the first time. However we are also aware that parishes are under financial pressure in a similar way to the DBF as income

stagnates while expenditure continues to increase with inflation. The collection rate for the year was 97.5%, or 98.2% 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 10. 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 approximately 4%. It remains our policy to hold a balanced investment portfolio maximising income while protecting capital value for future generations.

Income from housing was above budget and represented a 11% 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 increase in income was due to the rental value of the properties available to let during the year and also the increased efficiency with which available properties are marketed and let.

Income from fees and local income was above budget by £54,448. Parochial fees had been budgeted to be stable compared to 2017 following a perceived downward trend in fee income in recent years. However fee income increased in 2018 and work is being done to understand the reasons. New forms for reporting fees to the DBF were issued in late 2017 which may have improved compliance. Income from parish trusts showed a slight decrease of £1,218 against 2017 but an increase of almost £20,000 against budget.

Total expenditure before transfers from the Pastoral Fund was below budget by £66,558. This was due to a combination of factors. There were overspends on stipends, IT, investment manager fees and in respect of pension liabilities. However these were offset by savings in staff costs in Common Good and by an underspend by the education department.

Expenditure on stipends and grants was £91,746 above budget and clergy pension contributions were £5,820 below budget. These variances are the result of a lower number of vacancies on average during the year as well as the creation of two additional posts to support mission and ministry in those locations. Clergy deployment and resourcing will be reviewed as part of long term strategic planning but in the meantime it remains diocesan policy to fill vacancies on a timely basis where appropriate.

Housing and property costs were on budget 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 was £136,778 below budget. There has been a welcome increase in the number of candidates training for ordination. While the costs of supporting these students in 2018 increased compared to prior years the increase was not as much as had been budgeted. Costs are expected to continue to rise in 2019 and into the future. In addition there was an apparent saving on the cost of curates' housing but this was due to a failure to recognise the full annual amount of notional rent payable on houses provided by the DBF.

There was an overall increase in expenditure across the 'parish support services' departments compared to 2017 although the increase was almost on budget. Most departments were on or within budget with the principal exception of IT which was £54,145 over budget. This was due to the high level of expenditure on the major IT project which took place in 2018. During the course of the year the Diocese exited the consortium for IT services and appointed a new IT service provider. The new provider recommended that new hardware was purchased for all staff and that new servers were installed in Church House Hove. The costs of the hardware have been capitalized and are reflected on the balance sheet. The overspend was in relation to the project costs.

In addition there was an overspend of £25,777 on investment manager fees due to the additional discretionary portfolio with Cazenove who were appointed in 2017.

There was exceptional expenditure of £67,376 in respect of the Defined Benefit Scheme for Church House employees which is now closed to new members. Pension deficit payments of £10,758 have been recognised in the General Office expenditure. Payments of £13,618 have been shown as a reconciling item on the balance sheet page as these payments were made in prior years but only recognized in 2018 and hence reduce the balance of the unrestricted funds.

In addition there is a liability of £43,000 shown as a reconciling item on the balance sheet which represents the liability as at 31 December 2018 on this scheme.

There was a significant underspend in the Diocesan Board of Education, where savings against budget of £90,496 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 8)

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 9 and the designated funds at the bottom of page 12.

Endowment and restricted funds (pages 11 to 17)

On page 11 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 in May 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 led into the Year of Prayer in 2018, where as well as continuing to listen, we learned to respond to what God is saying. This has taken us into 2019 and the Year of Vocation where we will explore how God is calling us 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 1,400 weddings or blessings, 3,900 funerals and 2,750 baptisms each year. Almost 400 licensed clergy and over 120 licensed readers minister in the 364 parishes in the Diocese, with 20 new full time and 3 part time stipendiary clergy appointments and 5 new readers licensed during 2018.

The Education Department appointed 82 new foundation governors and reappointed 38 existing foundation governors for church schools and helped to appoint 20 new head teachers.

During the year the CDBF paid stipends, pensions and other employment costs totalling £9.87 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. Vacancies were slightly in excess of the budgeted rate of 26, although lower than the average rate of 34 in 2017. Additional posts were also created during the year to respond to local pastoral needs and so the total cost of stipends for the year was above budget. 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 was enhanced from 2017 by the addition of a full-time in-house HR Officer.

Provision of housing

The annual quinquennial repair programme covered 66 of the diocese's 380 properties, spending c.£950k, and 60 properties were made ready for incoming clergy and private tenants (to derive a rent) at a cost of c. £700k. The following improvement works were also carried out:

- Four properties were re-roofed or had significant roof repairs.
- 26 properties had replacement boilers or upgrades to their central heating systems
- 11 properties had replacement bathrooms
- 29 properties had replacement kitchens
- 9 properties had replacement UPVC windows and doors.

In addition to this a major refurbishment was completed of the vicarage at the Annunciation, Brighton, at a cost of £332k. This included creating a separate basement flat. Also, a kitchen extension was provided to St Matthias, Brighton at a cost of £88k.

There was also a refurbishment and upgrading of the windows at the grade II* listed rectory at Withyham.

The updated Housing Handbook was released at the beginning of 2018.

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 £280k were made to ordinands to support them and their families during their training.

Jayne Prestwood's appointment has resulted in a huge leap forward in the area of lay development and ministry. The course for lay ministers for communion has been redeveloped so that it can be delivered at a parish level. We have developed and run Living Faith, a Christian discipleship course, which was run over 9 months at three separate venues. 56 people completed the programme in 2018. We also launched two Accredited Lay Ministers courses (ALM) - Pastoral visiting and Children's work. 41 people attended the course of whom 37 were commissioned by the Bishop at the Cathedral.

Ministerial Development Review and Continuing Ministerial Development

MDR continues to be run successfully with minor changes. Most clergy are now on their second review.

During the year, the CMD officer left and we are in the process of recruiting a replacement. We launched a new programme of training events which is a mixture of MDR related needs and proactive events. The Sabbatical and Study leave policies have been updated and rewritten.

The Galilee Programme is a new diocesan programme designed to enable and equip the ministerial development and leadership skills of experienced clergy. The first cohort completed the programme this year, and a new cohort has been invited for the second programme.

Pastoral care and welfare support

The confidential counselling service for clergy and their families continues to go from strength to strength. There have now been over 110 confidential referrals since the service was launched. During this year, we recruited a deputy for the department to provide much needed additional resource. We continue to be grateful for the generous legacy which has enabled this work.

In addition, welfare grants of approximately £102k have been awarded to 101 clergy and their families in time of need.

Implementing improvements to pastoral organisation

Seven Mission and Pastoral schemes and orders were completed in 2018: two church closure schemes, four pastoral reorganisation schemes and a pastoral order. A further ten cases were progressed. Significant progress was also made towards finding new uses for five churches which 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. Two vocations events were held which has maintained the number of people engaged in some kind of vocational discernment to just over 100. Of those who attended a Bishops Advisory Panel in 2018 19 individuals were recommended for ordination training (12 men and 7 women of whom 16 will train to be stipendiary ministers and 3 to be Self Supporting Ministers). A half time Deputy DDO has been recruited, starting in January 2019, to support the work of the DDO.

Supporting apostolic partnerships

A decision was made at the Bishop's Council that we would not proceed with a second Strategic Development Funding ('SDF') bid. The DBF continues to support the three existing SDF projects. Following the departure of the project coordinator in the summer, the archdeacons have taken primary responsibility for the projects.

Enabling church schools to reach out

Throughout 2018, church schools within the Diocese have continued to look at their vision statements in preparation for the implementation of the revised SIAMS inspection schedule. Within the schedule, schools are being encouraged to engage in "courageous advocacy" and reach out to their local communities through engagement in both social action and charitable activities.

Many schools took part in activities relating to the Year of Prayer; with prayer spaces and gardens being created alongside illustrated prayers. A celebration event was held at St Mary

De Haura Church to bring participants together and a book has been published with a selection of the illustrated prayers which is available for schools and parishes to purchase.

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 Prayer Lent course and study days for clergy. The Diocesan Spirituality Advisor left during the year and Kate Woodman took over the administration of the Spiritual Direction service. We have commissioned a comprehensive review of the whole Spiritual Direction service including the training, the findings of which we will implement in 2019.

Youth and Children

2018 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. Networking events have seen stronger cohesive working between churches across the diocese and regular ongoing training for salaried workers and volunteers. The Pursuit programme, a year out leadership development scheme for young adults, was launched this year aiming to start the first cohort in 2019. The team is working to a five year strategic plan for the development of the service. May Camp, our diocesan youth festival, continues to see healthy growth and over 50 young people made a personal commitment to Christ in 2018.

Communications

Throughout a busy 2018 communications continued to provide a proactive and reactive service to Church House departments, the senior clergy team, parishes, and partner organisations.

There was an increased expectation from the Church of England to engage with national initiatives including Digital Evangelism initiatives, Thy Kingdom Come, Setting God's People Free and the Christmas campaign #FollowtheStar.

In 2018 the Diocesan Year of Prayer was hugely successful. Schools and parishes engaged with the resources and shared their activities and events. In May Bishop Richard conducted a Thy Kingdom Come Prayer Pilgrimage which involved visiting 49 parishes and concluded at the cathedral with a Pentecost celebration. Each prayer venue featured on the diocesan Facebook and Twitter pages with healthy engagement across all the digital channels. The national team also reported on it in their TKC round up.

The planning, development and delivery for Year of Vocation resources and events was signed off by the end of October 2018 and launched at the Diocesan Synod in November. The Way of Living, The Order of St Richard and Lent course continue to be promoted extensively in all diocesan communications.

The Faith in Sussex magazine continues to be appreciated as a diocesan mission tool.

Parish development and stewardship

In 2018, we have developed a team of parish development facilitators across the diocese. These people help to deliver vision and training days across the diocese. We have worked directly with 70 parishes across the traditions this year.

Education

Autumn briefings were held in 11 venues across the diocese, with 97 people attending including head teachers, chairs of governors and clergy. These briefings gave an opportunity for the new Director of Education to give information about the future focus of the department as well as sharing the wider context of education issues such as the small schools agenda and academisation.

The training programme offered by the Education department has continued to support Head Teachers, governors and clergy with a variety of courses covering topics from Understanding Christianity to SIAMS and Church School governance. All church school governors are expected to attend safeguarding training.

The Education department has continued to establish relationships with external organisations such as Open The Book and Big Start Assemblies to ensure that schools and parishes are able to deliver collective worship sessions for children that are both engaging and innovative.

Safeguarding

IICSA: the Diocese gave evidence to the Independent Inquiry into Child Sexual Abuse in 2018, having been selected as the Case Study for IICSA's investigation into the Church of England and Wales. Two public hearings investigated the overall history of the Diocese's response to child sexual abuse, and the specific case of the former Bishop of Lewes, Peter Ball. This was an unprecedented level of scrutiny and exposure. The Diocese awaits the final report of the Case Study, due in 2019.

The Diocese continues to implement the National Safeguarding Training Framework. Over 90% of licensed clergy and over 75% of PTO clergy have the full training requirement, with the numbers of licensed clergy with no training now extremely small (and explained due to long-term sickness). Over 2500 safeguarding course completions were achieved across the Diocese in 2018.

Simple Quality Protects ('SQP'), the online parish safeguarding tool, was launched in 2017 and has had a very good take-up across the Diocese. Over 90% of parishes have made considerable progress towards SQP completion in 2018. The planned deanery assessment events did not take place in 2018 due to the demands IICSA made on the Safeguarding Team and Diocese, but will be completed in 2019.

The Diocese has been working with the Survivor's Network, via a Service Level Agreement, in 2018 and into 2019. The SLA provides for an Independent Sexual Violence Adviser (ISVA) to work alongside the Safeguarding Team in providing specialist support to survivors of abuse, particularly during criminal investigations. This continues a successful model of casework pioneered in Chichester, which is now forming the basis of a national model of best-practice.

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 and Church Buildings

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 the Chancellor, Archdeacons and parishes on issues relating to the care of church buildings.

The DAC issued written advice in relation to 208 projects (146 applications for Formal advice and 62 requests for Informal advice) and made 30 site visits to assist parishes in the early stages of planning major church building projects. The Church Buildings team and DAC also assisted the Archdeacons in reviewing and processing 126 permissions for minor works, under the List B process.

The Church Buildings team also offered 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 ‘Opening doors, reducing risk, and engaging communities’, four training sessions aimed at new clergy and churchwardens on ‘Looking after church buildings and permissions’, and two fundraising workshops in conjunction with the Heritage Lottery Fund.

Finance

The Finance Department provides support to parishes through its training seminars and 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. Responsibility for Stewardship and the Parish Giving Scheme transferred to Finance during 2018 and these topics now feature in the regular training seminars.

During 2018 there has been a particular focus on promoting legacy giving and encouraging parishes to implement digital giving. There has been a large take up of contactless giving devices in parishes in Chichester Diocese.

During 2018 the Finance Department ran 19 training seminars across the Diocese. These were attended by 814 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.

During 2018 the accounting system for the DBF was changed. This was a large project which occupied the staff for the latter half of the year. There was an exercise to cleanse data from the old system before the migration which has resulted in a much better understanding of the DBF’s financial position and assets. The new system is working well and there is a plan to implement additional functionality during the course of 2019.

Governance

The Governance team manages elections and advises parishes on matters of governance, record-keeping, and the like. The triennial elections for Diocesan Synod and the Boards, Councils and Committees were successfully concluded during the year, and further work on cleansing the database adopted in 2016 took place. Considerable work was undertaken to ready the Diocese for the new General Data Protection Regulations. IT also falls within the governance team, and a major achievement for the year was to migrate the diocesan IT provision to a new supplier.

Supporting schools

During 2018, the programme of continuing professional development and school-based reviews for 156 schools in the diocese continued, funded through a combination of diocesan funding and contributions from schools made under a partnership agreement.

All schools have benefitted from the support of a named Diocesan Effectiveness Partner. The team of DEPs support schools on a local level, with a focus on school improvement and effectiveness.

The programme of CPD offered by the department is designed to support school leaders, governors and clergy through a wide variety of topics that are relevant to school life. Courses offered around the new SIAMS schedule have proved popular with governors and headteachers alike, with additional bespoke sessions being arranged for groups of schools and the Diocese of Chichester Multi Academy Trust (DCAT).

Particular focus was given to the Year of Prayer during 2018 with a major competition being held across the Diocese. Schools were encouraged to create prayer spaces both inside and out; and to create illustrated prayers. Through the money donated by deaneries in 2017, and a small contribution from the diocese, 53 prizes were presented at a special event held at St Mary De Haura Church in Shoreham. A special edition book has also been created with a selection of illustrated prayers from the competition.

Academisation remains a key part of the strategy of the department. Although the pace of academisation across the diocese is slow, DCAT have taken on a further school in West Sussex and have strengthened their team during 2018. They have appointed a new substantive CEO and have had determined focus on the improvement of standards in their schools leading to improvement in attainment and progress of pupils across all their schools.

Two schools are now affiliated to the diocese; Kings School in Hove and Christ's Hospital School in Horsham. The affiliation enables these schools to benefit from the Education department services as well as benefiting from access to the CPD and events programme. These affiliations also allow the opportunity for the sharing of best practice across a wider variety of schools in terms of both school improvement and Christian distinctiveness and ethos.

By the end of 2018, 87% of our schools were judged to be graded good or above by Ofsted. This is encouraging as the number of good or better schools has steadily risen over the past four years, despite the Ofsted framework having increasingly raised expectations of schools.

During the academic year 2017/18, 40 schools were inspected under the SIAMS framework for the impact of their Christian distinctiveness. 15 schools were rated 'Outstanding', 24 'Good' and only 1 'Requiring Improvement'.

The diocese has now supported 20 aspiring headteachers in Church schools to complete the Church of England Professional Qualification for Headship. A further three are set to undertake the course in 2019, ensuring that there is a continuing future pipeline of leaders for Church Schools.

In 2018, St Catherine's College in Eastbourne carried out an 'Unlocking Gifts' project to support the mental health and wellbeing of the most vulnerable pupils in Year 7, funded by the national Church of England Education Office, which our Education department has been

monitoring. The fee charged for this monitoring has been used to support two further projects around mental health and wellbeing in other schools across the diocese.

The Education department has continued to support the growth of ‘Open the Book’ teams across the diocese, taking teams of volunteers into schools to bring Bible stories to life. These teams have delivered sessions to 30 schools across the diocese over the past year, leading to school worship increasing pupils’ knowledge and love of Bible teaching.

Facilitating of capital expenditure on schools

The Education Department continues to support the remaining Voluntary Aided Schools via capital funding from the government through LCVAP, through which £2 million was allocated in 2018. There has been a gradual decrease in funding over the last few years mainly due to VA schools converting to academy status. Projects funded through the LCVAP route have primarily been to complete necessary maintenance with several central heating projects. In addition, this year we have had access to the government’s Healthy Pupil Capital Funding (HPCF) for mental and physical well-being, which was a one-off fund in 2018. A variety of projects were funded through this, with £221k allocated to the diocese and an additional £9k match funding from schools, giving a total value of £230k across the diocese spent on HPCF projects.

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. A number of criminal investigations continued in 2018 and into 2019, involving a very considerable degree of co-working between the Diocese and the statutory agencies in Sussex. The quality of these working relationships were highlighted by Sussex Police in their evidence to IICSA.

The environment

The CDBF is continuing to support the Diocesan aim of becoming one of the A Rocha Eco Dioceses, developing a culture of caring for the environment across its churches.

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 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.

Due to funding changes there is now less money to give away and the committee has started to consider applications annually. There are concerns that the funding will cease within two years and so a key priority for 2019 is to consider how to fund mission projects within the Diocese in future.

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 2018 the Diocese paid its second 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).

Support for the wider church internationally

The building of school links has continued throughout the year. A group of teachers from the Diocese led by Christine Emson made a visit to some schools in our Kenyan Companion Diocese in February 2018. This has helped further links between some of our schools and schools in Kenya. Essential work has been done in this regard by Christine Emson and Margaret Lumley, who have continued the work with our school and parish links in East and West Africa. Fr Lionel Whatley and a team of volunteers made a working visit to St Nicholas Children's Home in Nakuru in October 2018 which went well. The dormitory and sports facilities were refurbished. Our Diocese also has over the past three years, sponsored five students at theological Colleges in Kenya and one student in the Gambia, three of whom have graduated and are now moving on to Diaconal Ordination and Curacies in parishes, some of which are right on the frontline of the realities of church's work in Africa.

Other projects have been sponsored including a musicians' education project in the Diocese of Guinea, and a rice cultivation project in Sierra Leone which assisted with the costs related to the rice harvest which had to take place within an urgent time period. The Revd Canon Ian Hutchinson Cervantes, the World Mission Officer, moved on to work with the Mission to Seafarers in the Autumn. We are grateful to him for his work over the past six years in looking to encourage our links with our Companion Dioceses and wish him well in his move to Panama. In planning for 2019 the DOC will be looking at ways to streamline procedures regarding funding requests and ways of working, looking as always to setting up a framework for building continued relationship with our Companion Dioceses and offering support to projects making a real-life difference. The Revd Christine Keyte will be taking up the new role of Companion Links Officer. This is envisioned as being a different role than that of the previous World Mission Officer, involving more collaborative work with various teams in our Diocese and projects in our Companion Dioceses and is a voluntary position.

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 Feuerstein Conference in October 2018.

Support for particular ministries

The Diocese has continued developing bespoke local responses to the challenges faced by smaller communities in rural areas. 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 during 2018.

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 2018 the option (signed in 2016) was completed for the sale of Storrington Glebe. The DBF received £1.25m. 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. £511k for parsonage houses and c. £284k for glebe houses and land.

FUTURE PLANS

The strategic aims established by Diocesan Synod in May 2015 detailed on page vi will continue to direct the activities of the CDBF for the coming year. During 2019, consultation will take place on a new strategic focus for the next 5 years.

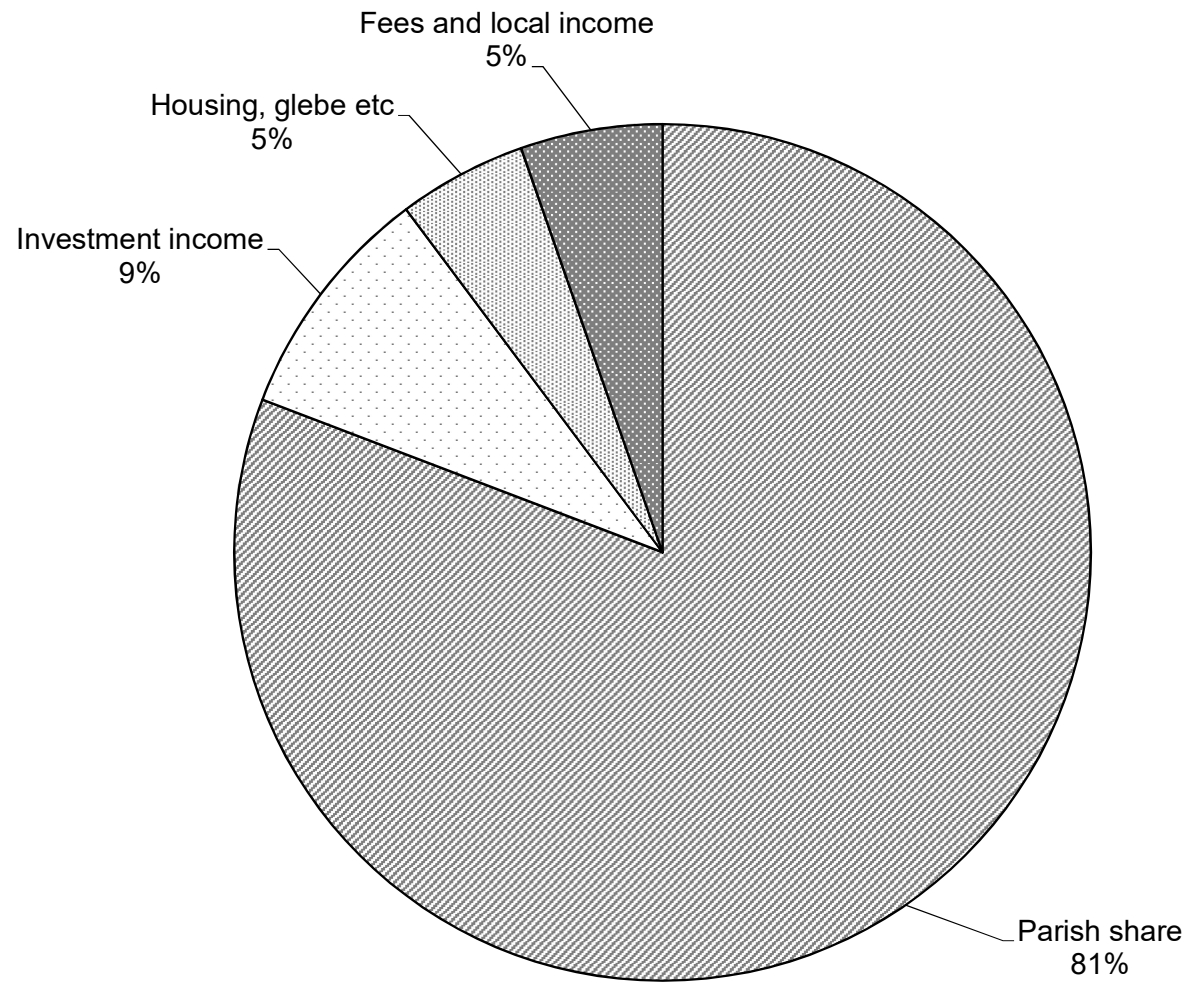
Our major commitment continues to be the maintenance of a Christian presence across the parishes of Sussex. As well as encouraging more vocations to the ordained ministry we plan to train and develop lay members of the Church, including the staff and governors of our church schools, as part of our strategic 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.

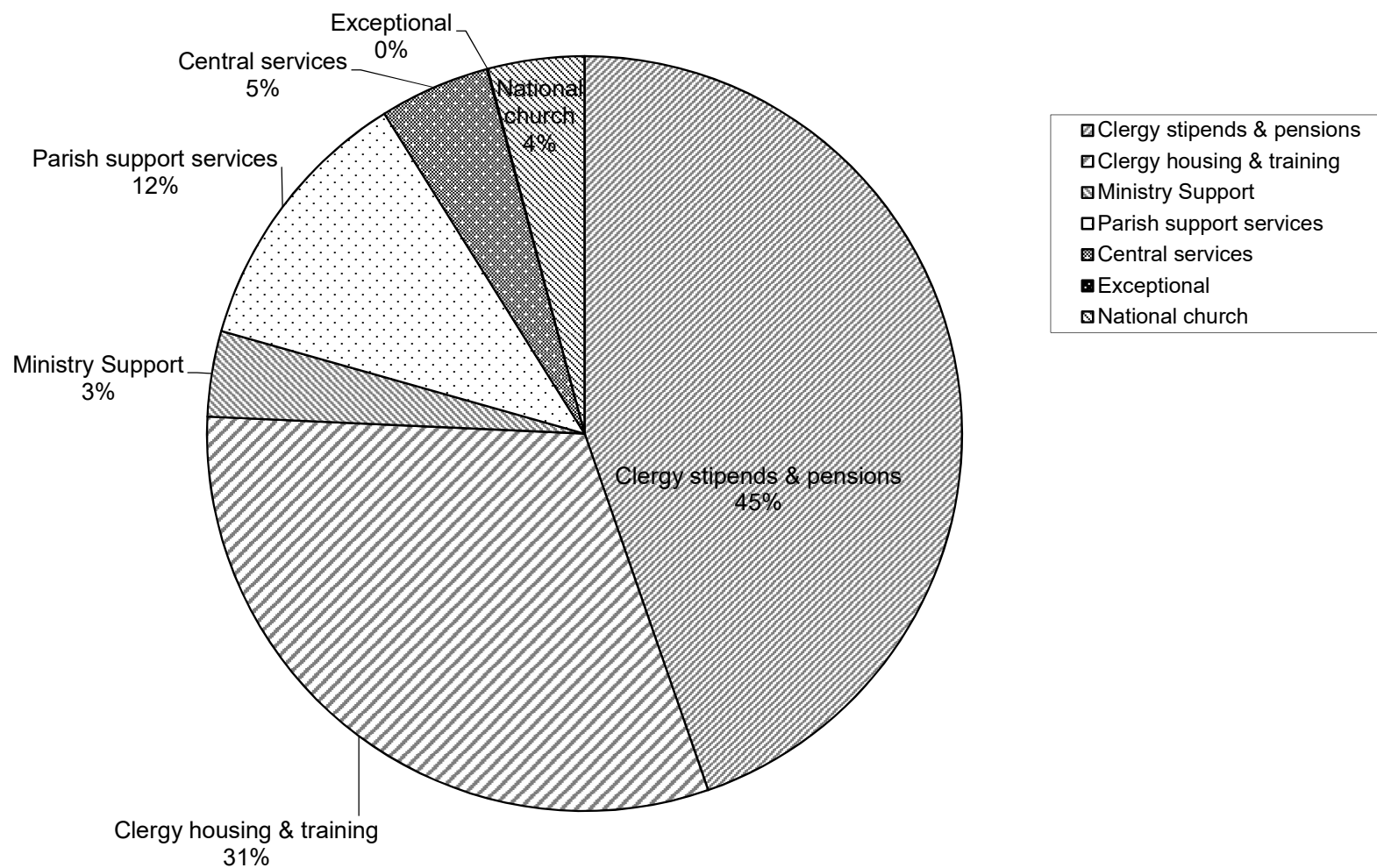
The Education team will be focussing on providing support to rural and small schools through the development of a strategic guidance document which will help schools ensure that they are able to provide the best education available for the children that they serve. Measured growth of both the Diocese of Chichester Academy Trust and Bishop Otter Academy Trust will continue to be supported to ensure that they are strong and effective 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.

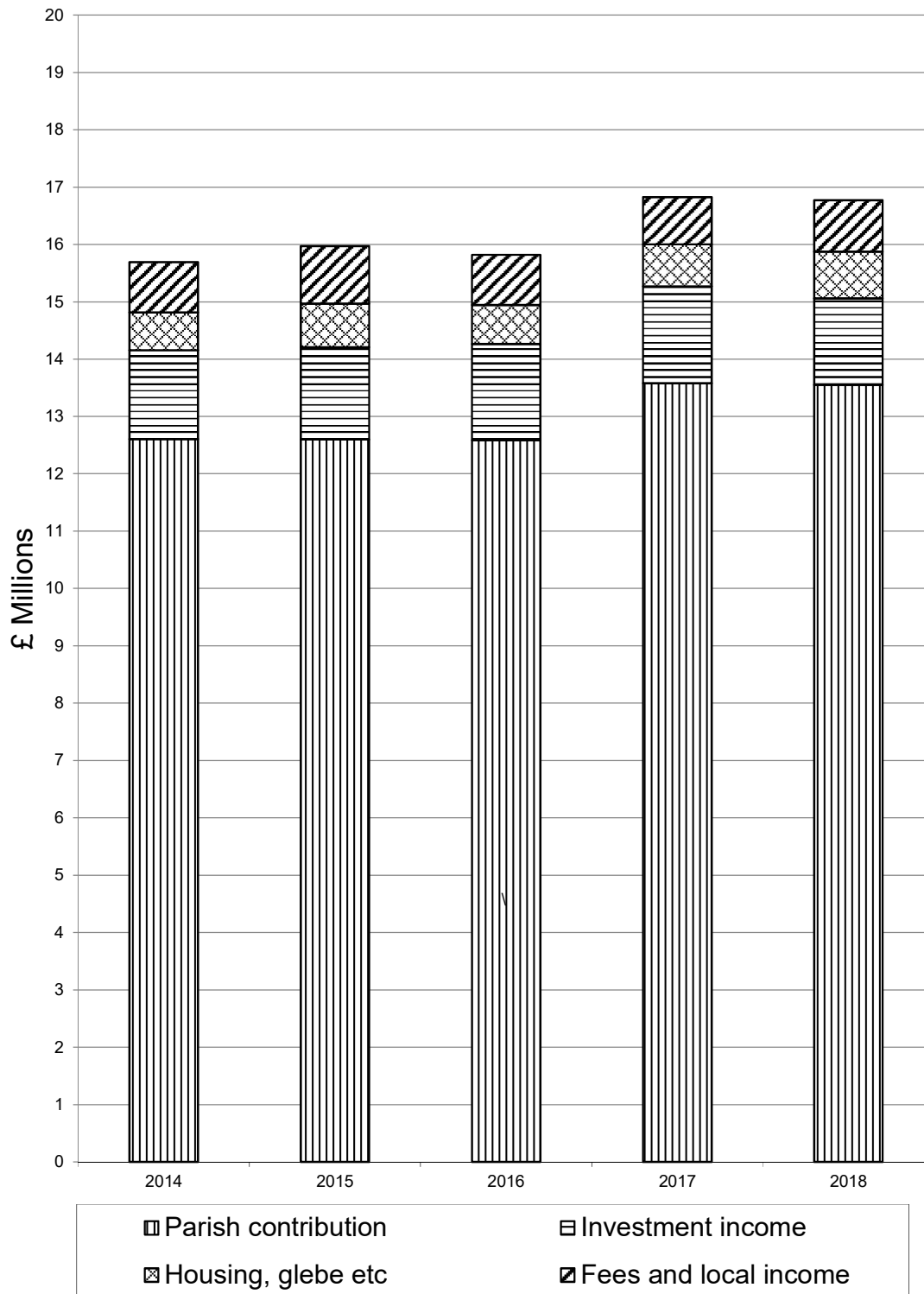
INCOME 2018



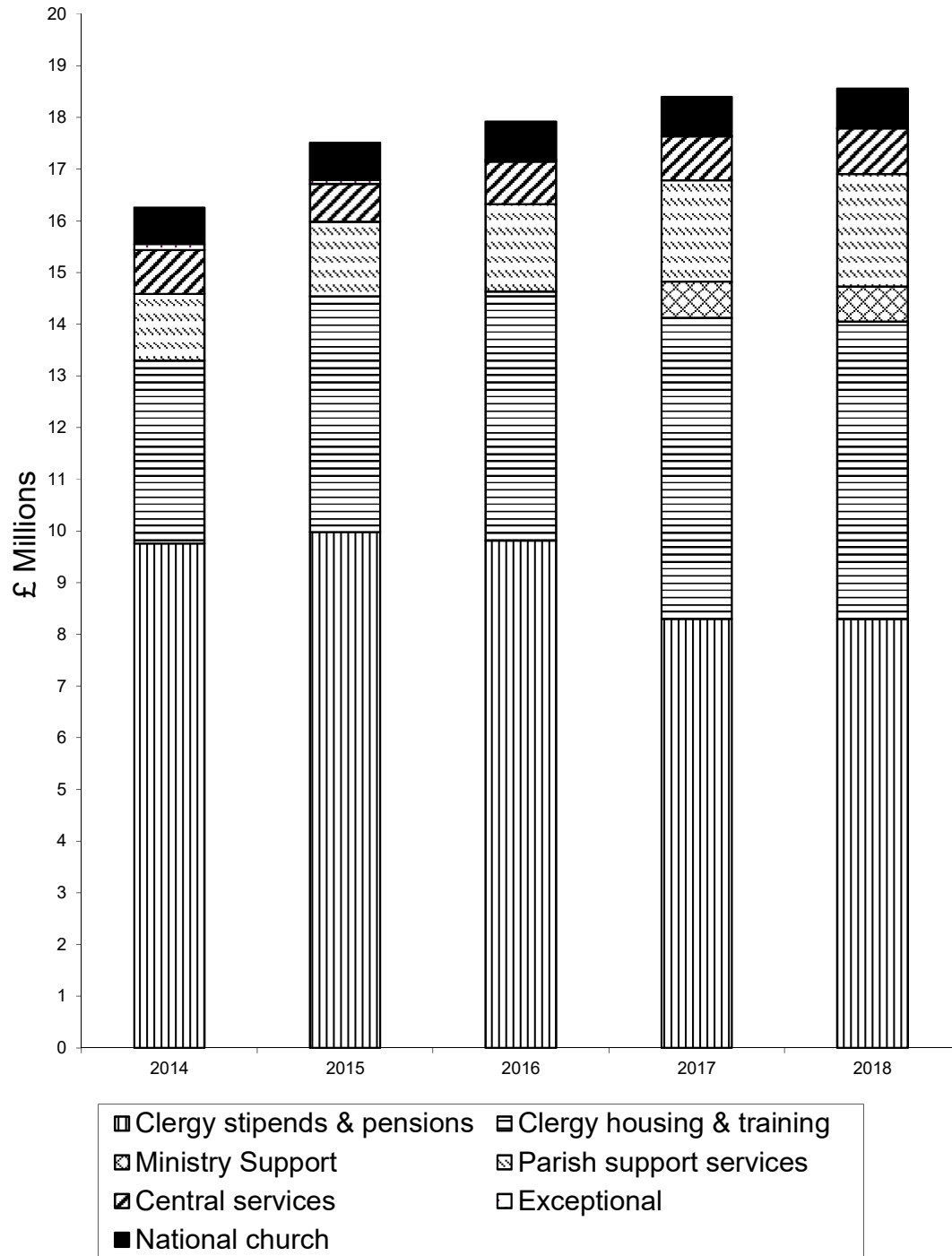
EXPENDITURE 2018



Income Trend 2014 - 2018



Expenditure Trend 2014 - 2018



UNRESTRICTED FUNDS - GENERAL FUND
SUMMARY OF INCOME & EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2018

<u>ACTUAL</u> <u>2017</u>		<u>ACTUAL</u> <u>2018</u> £	<u>BUDGET</u> <u>2018</u> £
	<u>INCOME</u>		
13,582,440	Parish share	13,552,661	13,792,334
1,489,750	Dividends & interest	1,370,741	1,450,300
136,185	Grants from designated funds	134,689	126,600
332,130	Glebe	329,506	336,800
402,744	Housing	486,680	440,000
657,040	Fees & local income	706,648	652,200
161,524	Miscellaneous grants and donations	191,165	164,268
<u>16,761,813</u>	TOTAL INCOME	<u>16,772,090</u>	<u>16,962,502</u>
	<u>EXPENDITURE</u>		
	<u>The Ministry</u>		
6,235,217	Clergy stipends, grants and fees	6,299,595	6,207,849
2,062,584	Clergy pension contributions	1,992,107	1,997,927
3,220,254	Clergy and layworkers housing	2,929,508	2,927,913
27,483	Retired clergy housing	0	11,800
2,574,908	Training - ordination & other	2,828,325	2,965,103
<u>14,120,447</u>		<u>14,049,535</u>	<u>14,110,592</u>
	<u>Ministry Support</u>		
700,047	Bishops, Archdeacons, Rural Deans and Grants	679,041	665,130
<u>700,047</u>		<u>679,041</u>	<u>665,130</u>
	<u>Parish support services</u>		
432,832	Apostolic Life	506,411	490,964
226,747	Common Good	193,943	231,088
595,520	Diocesan Board of Education	629,658	720,154
219,594	Safeguarding - Children protection	226,328	226,091
57,363	Diocesan Advisory Committee (DAC)	59,284	58,090
38,283	Pastoral Committee	37,953	44,055
70,736	Closed churches	93,709	85,000
49,647	Glebe administration	39,594	43,340
128,766	Investment managers fees	120,777	95,000
81,301	Communications	89,651	98,965
190,075	Information technology (IT)	313,115	258,970
718,583	General office, Finance, Governance and Administration	745,587	723,778
<u>2,809,447</u>		<u>3,056,010</u>	<u>3,075,495</u>
14,950	Exceptional items	6,114	3,000
748,781	National Church responsibilities	764,744	767,785
<u>18,393,672</u>	TOTAL EXPENDITURE	<u>18,555,444</u>	<u>18,622,002</u>
	(DEFICIT) FOR THE YEAR		
(1,631,859)	BEFORE TRANSFERS	(1,783,354)	(1,659,500)
	TRANSFER FROM PASTORAL FUND		
1,447,000	Clergy housing	1,447,000	1,447,000
228,000	Education	212,500	212,500
<u>43,141</u>	SURPLUS/(DEFICIT) FOR THE YEAR	<u>(123,854)</u>	<u>(0)</u>

INCOME

<u>ACTUAL</u> <u>2017</u> <u>12 Mths</u> £		<u>ACTUAL</u> <u>31/12/18</u> <u>12 Mths</u> £	<u>BUDGET</u> <u>2018</u> <u>12 Mths</u> £
	<u>PARISH SHARE</u>		
13,411,519	Current year	13,466,264	13,792,334
170,921	Previous years	86,397	-
<u>13,582,440</u>		<u>13,552,661</u>	<u>13,792,334</u>
	<u>DIVIDENDS & INTEREST</u>		
734,237	Diocesan stipends fund, incl Clergy stipends	724,865	694,800
739,843	Diocesan pastoral account	639,618	728,500
15,670	Interest on cash on deposit	6,258	27,000
<u>1,489,750</u>		<u>1,370,741</u>	<u>1,450,300</u>
	<u>GRANTS FROM RESTRICTED FUNDS</u>		
	Elfinward Fund for:		
76,501	stipends (79%)	77,213	71,100
13,582	retreats & conferences (14%)	13,683	12,600
6,791	information (7%)	6,841	6,300
39,311	Training fund	36,952	36,600
<u>136,185</u>		<u>134,689</u>	<u>126,600</u>
	<u>GLEBE INCOME (Gross)</u>		
13,379	Rents from land in diocese	15,845	26,400
274,351	Rents from properties in diocese	270,944	266,000
44,400	Rents for diocesan officers' houses	42,717	44,400
<u>332,130</u>		<u>329,506</u>	<u>336,800</u>
	<u>HOUSING GENERAL</u>		
375,494	Rents from parsonage houses	462,533	405,000
850	Rents from retired clergy houses	-	11,000
26,400	Rents from miscellaneous houses	24,147	24,000
<u>402,744</u>		<u>486,680</u>	<u>440,000</u>
	<u>FEES & INCOME</u>		
561,384	Parochial fees	612,210	577,200
95,656	Parish trust income	94,438	75,000
<u>657,040</u>		<u>706,648</u>	<u>652,200</u>
	<u>MISCELLANEOUS GRANTS & DONATIONS</u>		
133,000	ALLchurches Trust	119,974	135,000
25,885	Rents from redundant churches	20,868	27,268
100	Ordination & institution collections & donations	-	1,000
-	Legacies	-	-
2,539	Donations	50,323	1,000
<u>161,524</u>		<u>191,165</u>	<u>164,268</u>
<u>16,761,813</u>	TOTAL INCOME	<u>16,772,090</u>	16,962,502

<u>EXPENDITURE</u>		<u>ACTUAL</u>	BUDGET
<u>ACTUAL</u>		<u>31/12/18</u>	
<u>2017</u>		<u>12 Mths</u>	12 Mths
£		£	£
<u>CLERGY STIPENDS & GRANTS</u>			
<u>Stipends</u>			
6,518,848	Total chargeable to diocese	6,771,840	6,685,204
544,366	National Insurance (inc. Apprenticeship Levy)	566,673	566,800
(151,415)	Less Archdeacons' stipends & NI	(136,674)	(154,330)
(37,877)	Less Rural Deans' allowance & NI	(33,422)	(31,752)
(737,036)	Less stipends for training curates	(957,265)	(962,073)
<u>Fees</u>			
98,332	For services & exps for vacancies	88,443	104,000
<u>6,235,217</u>		<u>6,299,595</u>	<u>6,207,849</u>
<u>CLERGY PENSIONS</u>			
2,380,462	Clergy pension contributions	2,363,941	2,364,502
(46,670)	less Archdeacons' pensions	(41,538)	(37,840)
(271,208)	less curates' pensions	(330,296)	(328,735)
<u>2,062,584</u>		<u>1,992,107</u>	<u>1,997,927</u>
<u>MINISTRY SUPPORT</u>			
20,156	Suffragan bishops' housing	13,200	13,200
	Council tax and water - Bishops & ADs	19,664	21,200
31,645	Clergy administration cc 39	52,323	39,480
	Staff costs	49,578	37,420
	Office expenses	2,710	1,760
	Travel expenses	35	300
	Resources & equipment	0	-
	Miscellaneous	0	-
45,516	Archdeacons' operating expenses	35,013	28,128
44,438	Archdeacons' admin salary recharge	54,922	52,500
22,000	Archdeacons' housing	21,083	22,100
14,472	Bishop's chaplain's housing & council tax	13,090	14,600
2,152	BMO and Other costs	3,657	-
62,926	First appointments	71,516	60,000
115,881	Removal	104,840	92,000
104,899	Resettlement	97,763	98,000
151,415	Archdeacons' Stipends & NI	136,674	154,330
46,670	Archdeacons' pensions	41,538	37,840
37,877	Rural Deans' allowance and NI	33,422	31,752
<u>700,047</u>		<u>679,041</u>	<u>665,130</u>
<u>CLERGY HOUSING</u>			
880,924	Quinquennial repairs	877,047	825,928
611,128	Ingoing works	646,196	770,000
596,072	Interim repairs	543,648	498,000
579,118	Improvement & decoration grants	352,725	301,484
55,262	Insurance	54,230	57,250
136,430	Fees	101,223	79,200
12,528	Housing rental costs	3,050	11,400
34,076	Water rates and council tax	26,032	59,719
(53,345)	trf Curates housing to training (2%)	(48,392)	(72,151)
<u>2,852,193</u>		<u>2,555,758</u>	<u>2,530,830</u>
<u>Parsonages department</u>			
319,784	Staff costs	325,765	329,800
19,809	Office expenses	23,800	18,517
9,991	Travel expenses	9,268	12,075
18,477	Miscellaneous expenses	14,917	36,691
<u>368,061</u>		<u>373,750</u>	<u>397,083</u>
<u>3,220,254</u>		<u>2,929,508</u>	<u>2,927,913</u>
<u>HOUSING TOTAL</u>			

EXPENDITURE Continued

<u>ACTUAL</u> <u>2017</u>		<u>ACTUAL</u> <u>31/12/18</u> <u>12 Mths</u>	<u>BUDGET</u> <u>2018</u> <u>12 Mths</u>
£		£	£
	<u>ORDINATION AND OTHER TRAINING</u>		
176,653	Staff costs	189,366	175,420
12,562	Office expenses	13,938	14,296
2,388	Housing costs	2,838	22,700
7,043	Travel expenses	3,601	9,500
1,254	Resources & equipment	1,066	950
50,235	Projects & conferences	-	-
181	Vocation & lay ministers adviser's exps	-	-
2,862	BAP conference fees & Travel expenses	1,733	6,000
-	SSM Deacon training	-	-
200,632	Ordination candidates -support	279,982	311,787
7,372	Ordination - block grant	2,163	0
4,520	Development of vocations work	259	4,000
30,258	IME 4-7 training	14,893	25,000
25,200	Continuing education for clergy	23,192	33,600
9,386	Grants for conferences and retreats	4,911	5,000
737,036	Curates' stipends and NI	957,265	962,073
271,208	Curates' pensions	330,296	328,735
53,345	Curates' Housing - maintenance	48,392	72,151
351,363	Curate Housing costs	310,538	350,000
1,943,498		2,184,433	2,321,212
631,410	National church apportionment	643,892	643,891
2,574,908		2,828,325	2,965,103
	<u>RETIRED CLERGY HOUSING</u>		
-	Housing Costs	-	11,800
-		-	11,800
	<u>APOSTOLIC LIFE</u>		
	<u>Directorate</u>		
46,275	Staff costs	45,888	46,100
2,326	Office costs	3,947	3,615
8	Travel expenses	398	2,000
277	Resources & equipment	45	700
1,348	Projects & conferences	910	1,500
7,473	Diocesan Strategy Rollout	18,800	20,000
57,707		69,988	73,915
	<u>Christian Resources and Stewardship</u>		
103,279	Staff costs	104,242	114,165
5,436	Office expenses	7,422	5,658
7,099	Travel expenses	1,717	7,000
697	Resources & equipment	1,350	1,150
32,874	Projects & conferences	39,220	46,200
149,385		153,951	174,173
	<u>Children and Young people</u>		
85,239	Staff costs	84,842	83,300
4,733	Office expenses	7,949	6,508
18,862	Grant to St Bartz Trust (Childrens work)	18,158	20,800
4,448	Travel expenses	2,398	2,500
1,803	Resources & equipment	1,682	1,275
26,142	Projects & conferences	32,025	12,700
141,227		147,054	127,083

EXPENDITURE Continued

<u>ACTUAL</u> <u>2017</u> £		<u>ACTUAL</u> <u>31/12/18</u> <u>12 Mths</u> £	<u>BUDGET</u> <u>2018</u> <u>12 Mths</u> £
	<u>Lay Apostolic Life</u>		
52,650	Staff costs	68,338	53,160
2,732	Office expenses	5,466	6,033
18,832	Housing costs	18,824	22,900
1,074	Travel expenses & home office expenses	2,076	3,000
241	Resources & equipment	153	750
(2,016)	Projects & conferences	(251)	1,000
11,000	Readers' Training	40,812	28,950
<u>84,513</u>		<u>135,418</u>	<u>115,793</u>
	TOTAL FOR		
<u>432,832</u>	APOSTOLIC LIFE	<u>506,411</u>	<u>490,964</u>
	<u>COMMON GOOD</u>		
	<u>Social Concerns</u>		
23,169	Staff costs	12,053	22,865
289	Office costs	4,071	4,035
1,398	Travel expenses	909	2,000
-	Resources & equipment	85	100
17,077	Projects & conferences	14,645	17,600
<u>41,933</u>		<u>31,763</u>	<u>46,600</u>
	<u>Workplace ministry</u>		
51,794	Staff costs	60,334	56,890
6,510	Housing costs	6,559	7,300
4,353	Travel expenses & home office expenses	3,737	4,200
-	Miscellaneous expenses	6,671	6,800
12,652	Resources & equipment	-	50
-	Projects & conferences	44	-
<u>75,309</u>		<u>77,345</u>	<u>75,240</u>
	<u>GRANTS TO OTHER COUNCILS & ORGANISATIONS</u>		
	<u>Diocesan</u>		
34,928	Overseas Council	20,032	30,500
2,173	European Ecumenical Cttee + conferences	1,127	4,580
36,404	University chaplain's stipends & housing	27,676	38,168
	<u>Other organisations</u>		
36,000	Council for Family Support Work	36,000	36,000
<u>109,505</u>		<u>84,835</u>	<u>109,248</u>
	TOTAL FOR		
<u>226,747</u>	COMMON GOOD	<u>193,943</u>	<u>231,088</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2017</u> £		<u>ACTUAL</u> <u>31/12/18</u> <u>12 Mths</u> £	<u>BUDGET</u> <u>2018</u> <u>12 Mths</u> £
	<u>Schools (Board of education)</u>		
485,909	Staff costs	547,537	627,001
162,106	Consultant costs	144,817	125,000
31,586	Office expenses	32,514	24,853
23,272	Travel expenses	25,560	25,500
19,097	Resources & equipment	6,036	18,500
68,097	Projects & conferences	68,903	99,300
15,569	Miscellaneous expenses	12,938	20,000
(42,000)	Less: Grant from Aided Schools fund	(42,000)	(42,000)
<u>(168,116)</u>	Less: sales of services	<u>(166,647)</u>	<u>(178,000)</u>
<u>595,520</u>		<u>629,658</u>	<u>720,154</u>
	<u>Safeguarding</u>		
151,626	Staff costs	189,824	192,700
11,974	Office expenses	13,359	11,021
4,369	Travel expenses	5,486	5,000
14,609	Resources & equipment	4,703	3,370
16,404	Projects & conferences	9,586	6,000
20,612	Miscellaneous expenses	3,370	8,000
<u>219,594</u>		<u>226,328</u>	<u>226,091</u>
	<u>Diocesan Advisory Committee (DAC)</u>		
40,961	Staff costs	43,524	38,450
5,637	Office expenses	6,601	6,655
7,082	Travel expenses	7,055	8,000
1,301	Resources & equipment	1,846	1,675
1,412	Projects & conferences	(776)	2,310
970	Miscellaneous expenses	1,034	1,000
<u>57,363</u>		<u>59,284</u>	<u>58,090</u>
	<u>Pastoral committee</u>		
34,707	Staff costs	34,758	38,450
2,278	Office expenses	2,868	2,455
344	Travel expenses	176	750
947	Resources & equipment	151	1,900
-	Projects & conferences	-	500
7	Miscellaneous expenses	-	-
<u>38,283</u>		<u>37,953</u>	<u>44,055</u>
<u>70,736</u>	<u>Closed Churches</u>	<u>93,709</u>	<u>85,000</u>
	<u>Glebe administration</u>		
25,150	Repairs & improvements	12,802	9,600
292	Agents' fees	159	6,000
-	Rent collection expenses	3,638	6,000
15,341	Legal fees	22,995	15,740
8,864	Planning costs	-	6,000
<u>49,647</u>		<u>39,594</u>	<u>43,340</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2017</u>		<u>ACTUAL</u> <u>31/12/18</u> <u>12 Mths</u>	<u>BUDGET</u> <u>2018</u> <u>12 Mths</u>
£		£	£
<u>General office, Finance, Central services and H.R.</u>			
(Including costs of the Diocesan synod, Bishop's Council, Board of Finance, Schools finance & other subcommittees)			
535,919	Staff costs	510,953	533,920
10,657	Staff training	6,286	9,500
(7,474)	Postage and telephone	1,067	1,910
2,895	Printing and stationery	3,650	(23,200)
37,192	Other office expenses	53,824	41,261
6,308	Office equipment depreciation	4,737	8,500
30,494	Hire of equipment	29,960	30,000
948	Equipment maintenance	3,259	3,500
128,766	Investment managers fees	120,777	95,000
18,713	Building light, heat, repairs, cleaning	196	300
1,925	Staff travel expenses	1,796	2,050
44	Committee members expenses	1,242	500
4,539	Diocesan synod /Bishops Council	3,789	6,500
-	Election	184	300
26,400	Audit - external	21,897	21,000
-	Audit - internal	-	-
5,679	Bank charges	5,844	6,200
-	Pension deficit reduction	10,758	-
3,059	Legal - general	16,216	5,000
41,285	Legal - Chancellor, Registrar & solicitor	54,074	60,682
-	Contingency used - GDPR and legal	15,855	15,855
<u>847,349</u>		<u>866,364</u>	<u>818,778</u>
<u>Communications</u>			
39,793	Staff costs	41,326	48,200
26,900	Consultant costs	24,199	23,400
2,983	Office expenses	3,518	2,715
314	Travel expenses	254	500
4,242	Resources & equipment	2,782	13,050
16,848	Diocesan magazine - costs	25,173	20,000
(9,700)	Diocesan magazine - income	(7,430)	(10,000)
(2,259)	Directories & sundry	(172)	100
2,180	Projects & conferences	-	1,000
-	Website	-	-
<u>81,301</u>		<u>89,651</u>	<u>98,965</u>
<u>Information Technology (IT)</u>			
29,999	Staff costs	30,036	30,300
4,455	Office expenses	3,182	2,665
101	Travel expenses	68	160
150,651	Resources & equipment	159,181	130,000
4,869	Website development	3,454	1,700
-	IT projects	43,049	20,000
-	Contingency used - IT project	74,145	74,145
<u>190,075</u>		<u>313,115</u>	<u>258,970</u>
<u>1,118,725</u>	TOTAL FOR GENERAL OFFICE	<u>1,269,130</u>	<u>1,176,713</u>
<u>14,950</u>	<u>EXCEPTIONAL COSTS</u>	<u>6,114</u>	<u>3,000</u>
<u>NATIONAL CHURCH RESPONSIBILITIES</u>			
535,119	National Church & General Synod cost	543,031	543,031
5,513	Mission agencies & CPAS pensions	5,987	5,987
198,261	Retired clergy housing scheme	206,767	206,767
9,888	General Synod members' expenses	8,959	12,000
<u>748,781</u>		<u>764,744</u>	<u>767,785</u>
<u>18,366,189</u>	TOTAL EXPENDITURE	<u>18,555,444</u>	<u>18,622,002</u>

UNRESTRICTED FUND - BALANCE SHEET
AS AT 31 DECEMBER 2018

<u>2017</u>		<u>£</u>	<u>£</u>	<u>£</u>	<u>2018</u>
£					£
	Tangible fixed assets				
6,085,931	Properties (page 11)				6,101,659
18,919	Furniture, fittings & equipment				163,953
<u>6,104,850</u>					<u>6,265,612</u>
	Investments				
131,879	Investments				114,465
<u>6,236,729</u>					<u>6,380,077</u>
	Current assets				
426,113	Debtors	516,216			
617,265	Loans	481,898			
4,935,875	Bank & Cash Deposit accounts	<u>5,072,360</u>			
<u>5,979,253</u>				6,070,475	
	Less current liabilities				
(1,364,788)	Creditors	(1,276,228)			
<u>(1,364,788)</u>				<u>(1,276,228)</u>	
4,614,465	Net current assets				4,794,246
	Less long term liabilities				
	Church Workers Pension Fund - DBS	(43,000)			
<u>(150,000)</u>	Loans	<u>(130,000)</u>			
					(173,000)
<u>10,701,194</u>	NET ASSETS				<u>11,001,323</u>
	FUNDS				
	General fund				
3,174,077	Balance brought forward 1 January			4,129,381	
	Adjustment relating to prior years			6,156	
43,139	Excess income over expenditure for year			(123,854)	
-	Reallocation of payments: Clergy pension liability - 2018			722,000	
863,000	Reallocation of payments: Clergy pension liability - 2017				
	Recognition of Pension Deficit liability - CWPf DBS			(43,000)	
	Pre-2018 Pension deficit contributions recognised in 2018			(13,618)	
8,215	Unrealised gain on revaluation of investments			(14,359)	
40,950	Net transfers to Restricted fund (Block grant, welfare, investment manager fees)			(21,055)	
<u>4,129,381</u>	Total General fund				4,641,651
6,571,813	Designated funds (page 14)				6,359,672
<u>10,701,194</u>	TOTAL FUNDS				<u>11,001,323</u>

PROPERTY IN THE OWNERSHIP OF THE BOARD OF FINANCE

<u>Date</u>		<u>2017</u>	<u>2018</u>
<u>Acquired</u>		<u>Valuation</u>	
	<u>MISCELLANEOUS PROPERTIES</u>		
Sept 95	Church House, New Church Rd Hove	4,349,221	4,364,949
April 02	The Chapel, Pulborough	361,334	361,334
	<u>RETIRED CLERGY HOUSES</u>		
Sept 83	49 Westgate, Chichester	227,315	227,315
Dec 87	12 Walsingham Road, Hove	575,320	575,320
Jan 06	19 Mill Close, Fishbourne (leasehold)	572,741	572,741
	TOTAL VALUATION OR COST	<hr/> 6,085,931	<hr/> 6,101,659
	NET BOOK VALUE	<hr/> 6,085,931	<hr/> 6,101,659

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

Brighton, Holy Trinity	Lowfield Heath, St Michael and All Saints
Brighton, St Peter *	Milland Old Chapel
Stanmer	Rumboldswyke, St Mary
Burgess Hill, St John (part)	Southwick, St Peter
Chichester, St Bartholomew	Spithurst, St Bartholomew
Chichester, St Olaf	St Leonards-on-Sea, St Leonard
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, Holy Trinity
Hove, St Patrick	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 2018

<u>Net Parish Ministry Costs</u>		<u>Deanery promise</u>	<u>Amount collected</u>	<u>Percentage of receipts to promise</u>	
		£	£	<u>2018</u> %	<u>2017</u> %
<u>ARCHDEACONRY OF CHICHESTER</u>					
1,008,185	Arundel & Bognor Deanery	1,008,334	937,814	93.0	93.8
792,522	Chichester Deanery	759,823	759,823	100.0	93.2
907,777	Worthing Deanery	812,566	776,078	95.5	99.6
371,767	Westbourne Deanery	366,971	366,971	100.0	99.1
<u>3,080,251</u>		<u>2,947,694</u>	<u>2,840,686</u>	<u>96.4</u>	<u>95.9</u>
<u>ARCHDEACONRY OF HORSHAM</u>					
794,412	Cuckfield Deanery	781,018	761,328	97.5	96.5
828,972	East Grinstead Deanery	753,190	742,337	98.6	99.9
909,920	Horsham Deanery	834,091	834,091	100.0	99.0
603,341	Hurst Deanery	605,957	603,957	99.7	100.0
389,357	Midhurst Deanery	384,147	384,147	100.0	100.0
428,147	Petworth Deanery	432,842	423,909	97.9	100.0
427,854	Storrington Deanery	410,333	407,177	99.2	100.0
<u>4,382,003</u>		<u>4,201,578</u>	<u>4,156,946</u>	<u>98.9</u>	<u>99.1</u>
<u>ARCHDEACONRY OF HASTINGS</u>					
510,761	Battle & Bexhill Deanery	460,638	425,858	92.4	98.2
587,583	Dallington Deanery	502,694	502,694	100.0	99.7
1,006,819	Eastbourne Deanery	996,174	943,392	94.7	99.1
697,640	Hastings Deanery	466,901	466,901	100.0	96.7
645,874	Rotherfield Deanery	645,874	640,274	99.1	100.0
398,628	Rye Deanery	398,005	390,005	98.0	97.9
566,010	Uckfield Deanery	460,461	460,461	100.0	100.0
<u>4,413,315</u>		<u>3,930,747</u>	<u>3,829,585</u>	<u>97.4</u>	<u>98.9</u>
<u>ARCHDEACONRY OF BRIGHTON & LEWES</u>					
1,118,678	Brighton Deanery	1,118,909	1,100,641	98.4	99.0
690,631	Hove Deanery	690,631	622,256	90.1	97.3
970,188	Lewes & Seaford Deanery	879,340	879,340	100.0	100.0
<u>2,779,497</u>		<u>2,688,880</u>	<u>2,602,237</u>	<u>96.8</u>	<u>98.8</u>
<u>14,655,066</u>	Total	<u>13,768,899</u>	<u>13,429,455</u>	<u>97.5</u>	<u>98.3</u>
Prior Year Parish Share		86,397			
<u>14,655,066</u>	Total including prior years	<u>13,768,899</u>	<u>13,515,852</u>	<u>98.2</u>	<u>99.5</u>

Reconciliation:

add unallocated amounts released from deanery reserves	<u>36,809</u>
Total Parish Share reported	13,552,661

ENDOWMENT AND RESTRICTED FUNDS - BALANCE SHEET
AS AT 31 DECEMBER 2018

<u>2017</u>		<u>2018</u>
£	<u>PROPERTY AT VALUATION</u>	£
5,167,433	Terry's Cross main house - Terry Cross Fund	5,167,433
631,257	Chaplaincy House, Falmer - University Fund	631,257
1,542,514	Deserted Widows property - Clergy Welfare fund	1,542,514
182,953,411	Parsonage property - Parsonage fund	176,139,281
44,927,256	Glebe property - Stipend fund	43,944,563
4,103,611	Glebe Land - Stipend Fund	4,484,353
<u>239,325,482</u>		<u>231,909,401</u>
	<u>INVESTMENTS AT MARKET VALUE</u>	
15,638,910	M&G Charifund units	12,685,841
25,973	M&G Charibond units	25,001
13,340,520	Charles Stanley Portfolio	11,370,425
-	EdenTree - Amity Balance fund for Charities	-
6,595,655	JM Finns Portfolio	6,528,710
6,750,286	Cazenove Portfolio	6,743,130
-	CBF investment fund	
-	CBF fixed interest security shares	3,907
<u>42,351,344</u>		<u>37,357,014</u>
	<u>CURRENT ASSETS</u>	
468,753	Loans	422,131
973	Debtors	
620,712	Bank & Cash Deposit accounts	(1,775,901)
<u>1,090,438</u>		<u>(1,353,770)</u>
<u>282,767,264</u>		<u>267,912,646</u>
	<u>LESS: CURRENT LIABILITIES</u>	
(1,805,494)	Loans to the Board for houses purchased for deserted spouses	(1,763,244)
	Creditors	(526)
(5,646,000)	Clergy pension scheme	(4,988,000)
-	Other equity sharing loans	-
<u>(7,451,494)</u>		<u>(6,751,770)</u>
<u>275,315,770</u>		<u>261,160,875</u>
	<u>FUNDS (page 14)</u>	
257,052,772	Endowment funds	246,179,610
18,262,997	Restricted funds	14,981,266
<u>275,315,769</u>		<u>261,160,875</u>

BREAKDOWN OF ENDOWMENT, RESTRICTED AND DESIGNATED FUNDS

<u>ENDOWMENT FUNDS</u>	Balance 01/01/2018	Income	Expendi- ture	Revaluations	Transfers	Balance 31/12/2018
	£	£	£	£		£
Diocesan stipends fund (p15)	57,485,749	857,352	-	(4,219,795)	(185,000)	53,938,307
Parsonage Fund (p17)	187,020,121	45,808	-	(6,594,017)		180,471,912
Clergy welfare fund	2,342,705			(262,204)	(24,385)	2,056,117
Elfinward trust	2,217,767			(257,242)	57,383	2,017,909
Terry's Cross	5,262,580				(95,147)	5,167,433
Jenkinson trust	51,294			(5,742)	(22)	45,530
Training fund	923,745			(104,235)	51	819,561
University chaplaincy	623,008			(3,290)	38,356	658,074
Hayllar trust	75,413			(8,251)	(299)	66,863
The Poling Fund	660,687			(78,124)	(2,178)	580,385
The Arnold Bequest	389,704			(46,268)	14,084	357,520
	257,052,772	903,160	-	(11,579,167)	(197,156)	246,179,610

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

<u>RESTRICTED FUNDS</u>	Balance 01/01/2018	Income	Expendi- ture	Revaluations	Transfers	Balance 31/12/2018
	£	£	£	£		£
Diocesan pastoral account (p16)	15,878,163		(14,279)	(1,658,535)	(1,651,645)	12,553,704
Clergy welfare fund	1,141,331	103,185	(135,408)			1,109,109
B Wild Clergy Welfare Fund ⁽ⁱ⁾	846,272	33,748	(104,016)	124,099		900,103
The Poling Fund	4,422	28,974	(25,000)			8,396
Clergy widows	44,409	26	(125)			44,310
University chaplaincy	35,263	1,543				36,805
Jenkinson trust	18,891	2,175	(2,125)			18,941
Hayllar trust	72,583	3,443	(1,629)			74,397
World Church Experience	43,342	608	(900)			43,050
Harvest Appeal	60,852	23,813	(12,614)			72,052
The Arnold Bequest	39,605	17,699	(17,366)			39,938
Hospital Chaplaincy	19,951		(225)			19,726
Reader Committee	18,447	199	(2,430)	(72)		16,144
Schools resources	4,550	121				4,671
ADs' funds - Care of Churches	12,270	154	(6,789)			5,635
Scorner Music fund	19,412	243				19,655
Leavers Service Collections	0	9,382	(5,800)			3,582
Strategic Development Funding	(16,686)	165,087	(255,545)		107,145	0
West Lavington Fabric Fund		10,128				10,128
RME Block grant	(7,372)	224,686	(226,849)			(9,536)
Disadvantaged Youth Fund		777				777
Youth development/leadership	27,292		(17,613)			9,679
	18,262,997	625,991	(828,714)	(1,534,508)	(1,544,500)	14,981,266

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

⁽ⁱ⁾ The high revaluation on the B Wild fund is due to the timing of investing cash from the fund.

<u>DESIGNATED FUNDS</u>	Balance 01/01/2018	Income	Expendi- ture	Revaluations	Transfers	Balance 31/12/2018
	£	£	£	£		£
Property fund	6,079,931				6,000	6,085,931
Clergy Conference 2018	87,898	50,593	(138,491)		0	(0)
Parish mission fund	375,811	54,182	(257,746)		70,000	242,247
Bishop Certificates	12,120	1,136	(97)	(234)	0	12,926
Closed Church Furnishings	0	2,315				2,315
Ecumenical officer fund	16,053	201			0	16,254
	6,571,813	108,427	(396,334)	(234)	76,000	6,359,672

DIOCESAN STIPENDS FUND CAPITAL ACCOUNT**31 December 2018**

				£
Balance 1 January 2018				57,485,749
				<u>57,485,749</u>
INCOME				
<u>Sale of Glebe property etc.</u>	Valuation	Proceeds	Profit/(loss)	
11 Gregory Place, Maidenbower	660,160	522,559	(137,601)	
85 Heene Road, Worthing	606,103	542,204	(63,899)	
Storrington Land	58,514	1,117,366	1,058,852	
	<u>1,324,777</u>	<u>2,182,129</u>	<u>857,352</u>	
TOTAL INCOME				857,352
TRANSFER TO OTHER FUNDS				
Pastoral Fund (in respect of 8 Prestonville Road)				(185,000)
REVALUATIONS OF ASSETS AND PENSION LIABILITY				
Revaluation of Glebe property for the 12 months at 31st December 2018				(2,082,797)
Revaluation of Glebe land for the 12 months at 31st December 2018				(160,744)
Revaluation of Clergy Pension Deficit at 31st December 2018				(64,000)
GAINS/(LOSS) ON REVALUATION OF INVESTMENTS				
Realised gain/(loss) on sale of Charles Stanley Portfolio			29,005	
Realised gain/(loss) on sale of Cazenove Portfolio			10,571	
Realised gain/(loss) on sale of JM Finns Portfolio			(21,074)	
			<u>18,502</u>	
Unrealised gain/(loss) on revaluation of Cazenove Portfolio			(78,187)	
Unrealised gain/(loss) on revaluation of Charles Stanley Portf			(748,443)	
Unrealised gain/(loss) on revaluation of JM Finns Portfolio			(248,209)	
Unrealised gain/(loss) on revaluation of M&G Charifund units			<u>(855,917)</u>	
			<u>(1,930,756)</u>	
NET GAIN ON REVALUATION OF INVESTMENTS				(1,912,254)
Balance 31 December 2018				<u><u>53,938,307</u></u>
REPRESENTED BY:				<u>Market</u>
				<u>value</u>
				£
Charles Stanley Portfolio				5,234,204
JM Finns Portfolio				2,723,835
M&G Charifund units				5,574,444
Cazenove Portfolio				<u>1,825,903</u>
				15,358,386
Glebe Property at Valuation				43,944,563
Glebe Land at Valuation				4,484,353
Cash at bank				(4,860,996)
Creditor - Clergy pension Fund Liability				<u>(4,988,000)</u>
				<u><u>53,938,307</u></u>

MEMOPurchase & transfers of Glebe properties

Plot 274 Mill Valley (Stone Cross)	276,777
Manor Farm, Denton	334,292
Malthouse, Crawley	432,168
Rottingdean	323,616
128 Ifield Road, West Green (transfer)	(448,601)
8 Prestonville Road, Brighton (transfer)	1,414,243

DIOCESAN PASTORAL ACCOUNT**31 December 2018****£**

Balance 1 January 2018

15,878,163

INCOMESale of land

Trf from Stipends for 8 Prestonville 185,000

185,000

Sale of redundant church

-

TOTAL INCOME

185,000

EXPENDITUREGrants

St Richard's Hollingdean (19,700)

St John Sub Castro (858)

Return of unspent grant paid - 2016 7,336

Other

Legal notices re closure schemes (624)

Professional fees (434)

(14,279)

TRANSFER TO OTHER FUNDS

Mission Fund (70,000)

SDF projects (107,145)

General Fund for education (212,500)

General Fund for Clergy housing (1,447,000)

(1,836,645)

TOTAL EXPENDITURE AND TRANSFER

(1,850,924)

GAINS/(LOSS) ON REVALUATION OF INVESTMENTS

Realised gain/(loss) on sale of Charles Stanley Portfolio 20,314

Realised gain/(loss) on sale of Cazenove 24,651

Realised gain/(loss) on sale of JM Finns Portfolio (21,369)

Gain/(loss) on disposal of M&G Charifund units (5,238)

18,358

Unrealised gain/(loss) on revaluation of Charles Stanley Portfolio (524,195)

Unrealised gain/(loss) on revaluation of JM Finns Portfolio (251,681)

Unrealised gain/(loss) on revaluation of M&G Charifund units (718,694)

Unrealised gain/(loss) on revaluation of Cazenove Portfolio (182,322)

(1,676,893)

NET GAIN ON REVALUATION OF INVESTMENTS

(1,658,535)

Balance 31 December 2018

12,553,704**REPRESENTED BY:**Marketvalue£

Investments

Charles Stanley Portfolio 3,665,939

JM Finns Portfolio 2,761,930

M&G Charifund units 4,680,732

Cazenove 4,257,793

15,366,394

Debtors -

Cash at bank (2,812,690)

Creditors -

PARSONAGE FUND
31 December 2018

£

Balance 1 January 2017 187,020,121

INCOME

<u>Sale of parsonages etc.</u>	Valuation	Proceeds	Profit/(loss)
Roffey	459,917	505,725	45,808
	459,917	505,725	45,808

TOTAL INCOME 45,808

Revaluation of property for the 12 months to 31st December 2018 (6,594,017)

Balance 31 December 2018 180,471,912

REPRESENTED BY:

Parsonage Property at Valuation 31/12/18	176,139,282
Cash at bank	<u>4,332,630</u>
	<u><u>180,471,912</u></u>

MEMO

Purchase & transfers of parsonages

Bath Road, Worthing	593,693
Hookshile, Partridge Green professional fees	5,081
128 Ifield Road (transfer)	448,601
8 Prestonville Road (transfer)	(1,414,243)
	<u>(366,868)</u>

ARCHDEACON'S LOAN FUNDS - BALANCE SHEET AT 31/12/18

	<u>Sussex Church Campaign</u>	<u>Denne</u>	<u>Godman</u>	<u>Rawson</u>	<u>TOTAL</u>
	£	£	£	£	£
<u>CAPITAL</u>					
At 1 January 2018	122,538	226,945	91,197	118,820	559,500
Gain on disposal	126	(1,420)	477	89	(728)
Additions	45,332	136,012	108,248	79,480	369,072
Unrealised gains/(loss) on revaluation of investments	(17,647)	(26,631)	(16,073)	(17,602)	(77,954)
At 31 December 2018	<u>150,349</u>	<u>334,905</u>	<u>183,849</u>	<u>180,787</u>	<u>849,890</u>
<u>Investments at market value</u>					
M&G Charifund units	101,234	111,001	74,064	89,059	375,358
Cazenove	49,114	223,904	109,785	91,729	474,533
					-
	<u>150,349</u>	<u>334,905</u>	<u>183,849</u>	<u>180,787</u>	<u>849,890</u>
<u>ACCUMULATED INCOME</u>					
At 1 January 2018	249,831	449,783	217,648	274,470	1,191,731
Investment income 2018	6,810	11,852	6,540	7,100	32,303
Income invested	(45,332)	(136,012)	(108,248)	(79,480)	(369,072)
Expenses	(59)	(293)	(130)	(108)	(590)
	<u>211,251</u>	<u>325,331</u>	<u>115,810</u>	<u>201,982</u>	<u>854,373</u>
<u>Represented by:</u>					
CBF deposits	25,274	27,178	25,320	25,502	103,274
Bank	56,910	116,353	38,499	14,729	226,491
Loans outstanding	129,067	181,800	51,991	161,750	524,608
	<u>211,251</u>	<u>325,331</u>	<u>115,810</u>	<u>201,982</u>	<u>854,373</u>
 Funds currently available	 82,184	 143,531	 63,819	 40,232	 329,765

AIDED SCHOOLS FUND
INCOME & EXPENDITURE 2018

<u>2017</u>			<u>2018</u>
£	INCOME	£	£
-	Donations	24,171	
	Voluntary Aided Schools Capital Project Fund	108,397	
24,825	Dividends and interest	32,900	
-	Rental income	92,484	
-	Other income	2,600	
-	Gain on sale of a school house	356,161	
24,825	TOTAL INCOME		616,713
	EXPENDITURE		
42,000	DBF administration charge	42,000	
-	Other expenses	8,356	
218	Bank charges	56	
(42,218)	TOTAL EXPENDITURE		(50,413)
37,614	UNREALISED GAIN/(LOSS) ON REVALUATION OF INVESTMENTS		(92,202)
20,221	NET MOVEMENT IN FUNDS		474,098

BALANCE SHEET 31/12/18

£		
1,919,770	Balance 1 January	1,939,991
20,221	Profit/(loss) for the year	474,098
1,939,991	Balance 31 December	2,414,089
	REPRESENTED BY:	
846,839	Investments at market value	1,054,636
6,022	Long term loans to governors	1,302
327,881	Debtor - School Building Projects	51,637
114,580	Debtors	470
819,722	CBF deposit accounts	856,524
188,156	Cash at bank	1,027,645
(232,493)	Creditor - School Building Projects	(79,842)
(91,069)	Creditors	(450,273)
-	Amount owed to General Funds	(8,363)
(39,647)	Contingent liability	(39,647)
1,939,991		2,414,089

The Aided Schools Fund includes two restricted funds:

- 1 Voluntary Aided Schools Capital Project Fund
- 2 Deanery Donation Fund

FUNDS HELD IN TRUST
FOR PARISHES AND OTHER ORGANISATIONS
YEAR ENDING 31 DECEMBER 2018

2017 £		2018 £
<u>PARISH TRUSTS</u>		
14,551,447	Capital	12,459,189
67,623	Income	127,988
<u>14,619,070</u>		<u>12,587,177</u>
	REPRESENTED BY:	
14,022,549	Investments at market value	12,051,903
3,300	Sundry debtors	0
602,790	Central Board of Finance deposits	407,286
(105,151)	Creditor	(146,335)
95,582	Cash at bank	274,323
<u>14,619,070</u>		<u>12,587,177</u>
<u>CHANCEL TRUSTS</u>		
529,196	Capital held in trust for chancels	521,897
3,595	Capital held on account for administration	2,623
245,730	Accumulated income (claimable by parishes)	237,471
<u>778,521</u>		<u>761,991</u>
	REPRESENTED BY:	
542,791	Investments at market value	521,897
245,252	Central Board of Finance deposits	240,087
	Cash at bank	7
(9,522)	Creditor	0
<u>778,521</u>		<u>761,991</u>
<u>EDUCATION TRUST FUNDS</u>		
<u>2,281,818</u>	Funds held for Governors and Trustees	<u>2,445,366</u>
	REPRESENTED BY:	
1,147,126	Investments at market value	1,584,411
1,134,692	Current deposits and bank	860,956
<u>2,281,818</u>		<u>2,445,366</u>

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 for planning a stewardship campaign is www.chichester.anglican.org/generous-giving from where you will be quickly guided to resources of interest. Follow this up with a call to your Parish Advisor (01273 425797 or email john.kemp@chichester.anglican.org) and you'll find us ready to discuss realistically the challenges you face to 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 £31million 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 26 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/generous-giving, 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

Four key points from 'Giving for Life'

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

Giving for Life is copyright © 2009 The Archbishop's Council

If you would like to speak to your Parish Advisor at Church House, call 01273 425797

Did you know that diocesan income approximately equals the cost of Church House?

The remainder of the diocesan budget pays for clergy ministry and is funded by pledges from our parishes

The Parish Giving Scheme (PGS) is now used by 26 Church of England dioceses and is very effectively helping in enabling a stream of regular income for PCCs. Average giving per person per week in Chichester Diocese through PGS currently amounts to £16

Many smartphone-users no longer carry cash. If they need to donate to their church, they may need to do so contactlessly. To find out more about contactless giving or PGS, go to www.chichester.anglican.org/generous-giving

Legacies are a very effective method of providing for parish ministry, provided that they are not restricted to the fabric.

Does your PCC have an approved legacy policy? Download a template from www.chichester.anglican.org/generous-giving

More online resources:

www.parishresources.org.uk

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

www.parishbuying.org.uk

churches can obtain cost savings when buying such items as energy, office products and contactless devices

www.churchlegacy.org.uk

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