

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



2015

102st ANNUAL REPORT AND FINANCIAL STATEMENTS

APPROVED AT THE DIOCESAN SYNOD 14th May 2016

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE INCORPORATED

**A company limited by guarantee, registered in England, no 133558
Charity no 243134**

MEMBERS OF THE FINANCE COMMITTEE

CHAIRMAN OF THE BOARD

The Right Reverend the Lord Bishop of Chichester

CHAIRMAN OF THE FINANCE COMMITTEE

Mr J Booth

The Right Reverend the Bishop of Horsham

The Right Reverend the Bishop of Lewes

The Venerable the Archdeacon of Chichester

The Venerable the Archdeacon of Horsham

The Venerable the Archdeacon of Hastings

The Venerable the Archdeacon of Brighton & Lewes (from March 2015)

The Reverend T Ward (to December 2015)

Mr C Robinson

The Reverend J Eldridge (from January 2016)

Mrs M Nagel (from January 2016)

The Reverend Canon A Ball (to December 2015)

Mr M Smith (to December 2015)

Mrs V Burgess

The Reverend D Weaver (from January 2016)

Mr G Leonard (from January 2016)

The Reverend A Manson Brailsford (from January 2016)

Mr M Cruttenden

Mr J Head (from January 2016)

The Very Reverend Dr J Edmondson (to January 2015)

Mrs K Sims (to December 2015)

The Reverend S Tomalin

Mr P Bowden (from January 2016)

Mr J Vince (from January 2016)

Mrs B Darby (to December 2015)

The Reverend L Irvine-Capel (from January 2016)

SUBCOMMITTEES OF THE BOARD

Assets Sub-Committee

Chairman: Mr J Booth

The Venerable the Archdeacon of Hastings (to December 2015), The Venerable the Archdeacon of Chichester (from January 2016), Mr J Barkshire, Mrs K Sims (to December 2015), Mr C Corfield, Mr J Taylor (to December 2015), The Revd Canon T Mendel (to December 2015), Revd M Betson (from January 2016), Mr G Leonard (from January 2016)

REPORT OF THE DIOCESAN FINANCE COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2015

Introduction

In this booklet we seek to present the management accounts for the Diocese of Chichester as simply and transparently as possible. The figures outline the financial support we receive from parishes and all other sources of income and set out in some detail our expenditure. I am happy to report that our overall income grew by 4.7% in 2015, with parish contributions increasing by 3.3%, £68,000 ahead of budget for the year. This shows the overwhelming generosity of our congregations and represents a collection rate against pledges of 99%, once payment of arrears from previous years is taken into account. Other sources of income rose by 11%, significantly ahead of budget and inflation, with very respectable increases in dividend income and housing rents and an improved collection rate of parochial fees.

This substantial improvement in our income has enabled us to increase investment in training for the ministry and advance our programme to move from parish funding to diocesan funding of housing for curates. We have also been able to accelerate our programme of housing refurbishment and maintenance, spending 25% more than the previous year. As approved by Diocesan Synod, £700,000 of this expenditure on housing was funded by a grant from the Pastoral Fund rather than asking our parishes for extra help at a time when their own finances may be stretched. Other areas of more modestly increased spending for the year include Education, Safeguarding, Communications, Governance and IT. Church House, Hove was also refurbished during the year to improve the working environment of our diocesan staff, funded by the proceeds of hiring out Church House in previous years.

Our outturn for the year was a deficit of £130,744—slightly smaller than budgeted—showing steady progress on the previous year towards balancing our books. This has been achieved by careful management of our diocesan affairs in what has been a very challenging year and we owe gratitude to all the managers and staff at Church House for their hard work, commitment and resilience.

The other great debt we owe is to our clergy, parishes and congregations throughout East and West Sussex. Their generous witness—and there are tens of thousands regularly contributing time, talents and financial support—is truly inspiring. I would like to offer my thanks in particular to everyone who serves our Diocese on its councils and committees, as treasurers and stewards of its finances as represented here. This work, often quiet and unobtrusive, is very greatly appreciated.

John Booth
Chairman

Feast of the Annunciation, 2016

DETAILED COMMENTS

The accounts published in this booklet, known as the Red book, reflect expenditure as against the budget for 2015 approved by Diocesan Synod in November 2014. 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 finance committee regularly receive reports showing progress against budget and review strategy during the year.

A separate set of reports and accounts which meets the requirements of the Companies Act, the current statement of recommended practice and following the guidelines set out under the regulations laid down in the Charities Act, is available on request. These 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 the Cathedral and other associated diocesan bodies are published separately by each entity individually.

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

The summary statement for the general fund on page 1 lays out 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 £842,572 was budgeted for the year; and it was budgeted that £700,000 would be transferred from the Pastoral Account to cover part of the property costs incurred to improve the standard of our property. The outturn after transfers was a deficit of £130,744. The Pastoral Fund transfer was the first year of a Diocesan Synod approved five year programme to upgrade parsonages starting in January 2015.

Overall income for 2015 was £616,421 better than budget representing a 4.7% increase on 2014. It is pleasing to note that further increases (£94,330) were achieved in rental from vacant properties. Parish contribution receipts in 2015 were ahead of budget by £67,873. This result was enhanced by recovery of arrears from previous years. Parish contributions pledged for 2015 totalled £14,305,275, a 2.0% increase on the pledges for 2014. It was commendable that the increase in pledges for 2015 reached the requested 2% increase giving a total collection rate for the year of 98.9% and after recognising payments that have been received after the books were closed, collections for the year stand at 99.1%. 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. Nine

deaneries met their promised pledges, and a further six were within 98.5% of the figure pledged.

New accounting rules have caused a substantial upward revaluation of our property portfolio as we move from insurance to market valuations. We added a net £1.1m to our investment portfolio during the year. The portfolio produced a total return of 2.7% although turbulent equity markets led to a decrease of just under 1.8% in the portfolio's capital value at year end. 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 by a significant £117,170. The letting market in Sussex continues to remain buoyant and a drive by the property department has led to a reduced number of empty properties and increased returns on the portfolio. It will continue to be diocesan policy to let empty parsonages during vacancies as well as glebe houses when not needed for parish staff.

Income from fees and local income was above budget by £195,857. Parochial fees were £95,117 above budget and an increase of £87,627 on the prior year. It is anticipated that due to the decline in weddings and funerals at Church, this income is likely to erode in future years. Income from Parish trusts showed an increase of £20,518 against prior years.

Total expenditure before transfers from the Pastoral Fund were in excess of budget by £604,593; the main reason for this was the extra expenditure required on property, and increased IT costs were also a significant factor.

Expenditure on stipends and grants was £32,961 under budget while clergy pension contributions were £2,380 above budget. These variances are the result of a higher number of vacancies during the year and reflect the difficulty in finding suitable candidates. 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 £754,827, reflecting the continuing programme to improve the standard of clergy housing. Funding of this, as has been mentioned, will come from the Pastoral Fund. Having undergone a change of leadership and recruited new staff, the property department had the capacity to begin this programme sooner than anticipated, hence the overspend this year. 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 non-stipendiary clergy, including training for the distinctive diaconate, was some £36,054 below budget mainly because fewer candidates than expected started training.

Expenditure on insurance for churches was lower than budgeted owing to the lower rise in the RICS RPI index covering building materials to which the premiums are index linked.

There was an overall increase in expenditure across the support for parishes departments. Most departments were on or within budget with the exception of IT and infrastructure which was a cause for concern during the year and was £84,817 over budget. The IT provider was changed in late 2014 and problems continued through 2015. A new provider took over in late 2015 and the IT service has started to return to normal. Other areas which were under/over budget were:

- Diocesan Board of Education – savings against budget were £72,756 reflecting the fact that not all staff posts were filled during the year.
- Closed Churches – the spend for the year was £74,886 however during the year £90,532 was received from the Church Commissioners as repayment of expenses incurred on St Alban’s Brighton, a church sold in 2013. This resulted in a negative spend of £15,646 for the year and a £105,646 saving against budget.

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. It should be noted that the balance of £5,852,618 on page 14 matches the figure on page 11 under the heading property in the ownership of the Board of Finance.

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 the Diocesan Accountant or the 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 Christians in Sussex and engagement with the community as part of the Church's response to the mission of God to the people of 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 in the Diocese and by doing only those things which are best done at diocesan level or otherwise add value to the work of the parishes.

In May 2015 at Pentecost, the Diocesan Synod launched a five year Diocesan Strategy with the following three priorities:

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

OBJECTIVES FOR THE YEAR

The CDBF seeks to respond to those strategic aims by focusing on the following objectives for this and subsequent years:

- To make provision for the engagement and remuneration of clergy.
- To provide and maintain housing and other buildings as required that are safe, fit for purpose and welcoming.
- To train and support church leadership in their roles and enable the work of the parishes.
- To provide expertise, advice, guidance, services and good governance to clergy, parishes, chaplains and schools.
- To support head teachers and governors to provide the best possible education and Christian witness.
- To facilitate capital expenditure on schools.
- To promote a care for the environment and a sustainable use of resources.
- To contribute to the National Church Institutions and other bodies and individuals.

Through carrying out these objectives and in promoting the whole mission of the church (pastoral, evangelistic, social and ecumenical) throughout the Diocese of Chichester, the trustees are confident (having had regard to Charity Commission guidance) that the CDBF delivers public benefit by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and

- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Clergy stipends

The presence of clergy 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, 4,000 funerals and 3,000 baptisms each year. During the year the CDBF paid the stipends and other employment costs of £8.70 million 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 27 posts during the year, in line with 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 non-stipendiary ministers. The CDBF funds fees and expenses for those clergy during interregnums.

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 paying into their pension funds, it is responsible for housing and training the clergy (see below). Under new terms of service, called Common Tenure, introduced in 2011, clergy have greater clarity on the 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. During the year, the CDBF arranged for its external HR consultants to provide HR services in respect of clergy as well as lay staff to improve the care and service provided.

Housing and other buildings

The Property Department manages, maintains and improves approximately 380 clergy houses, principally for the benefit of clergy. Following the department restructure in 2014, an exercise to put maintenance plans in place for all diocesan owned houses is well underway and will be complete by the middle of 2016. These plans will be used to determine future property budgets.

The 2015 quinquennial programme was completed within budget and the most urgent elements of the maintenance backlog have been attended to.

The property management software "Propman" is now being actively used as the diocesan asset register and the next task is to map and record Glebe land records onto this system.

Training and support

The department of Apostolic Life was formed in April 2015, with particular responsibility for providing support and developing appropriate training and resources

to meet the first two strands of the diocesan strategy: numerical and spiritual church growth and re-imagining ministry.

Training programmes for specific lay ministries (lay ministers of communion and readers) continued to be delivered. A course for experienced spiritual directors has run for the first time. The processes for the selection of ordained ministers was further developed by the Diocesan Director of Ordinands (DDO), with a small team of assistant DDOs working with the DDO and a Young Vocations Officer who is working with others to foster growth in vocations to ordained ministry amongst young adults.

Courses to nurture discipleship and faith development have continued to be provided, including new modules in the Engaging Christianity programme developed collaboratively with the University of Chichester.

Those working with children and young people in the parishes have been offered training opportunities and ongoing support. A plan to further develop May Camp has been instigated.

The training of curates (IME Phase 2) includes the development and running of a diocesan course, a Common Awards programme validated through the University of Durham via SEITE (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.

Preparation for the launch of a new scheme of Ministerial Development Review (MDR) as part of the ongoing training and development of clergy was undertaken (launched in January 2016), resourced with a dedicated administrator and half-time Continuing Ministerial Development (CMD) officer.

Parishes have been offered support as they seek to engage with the diocesan strategy. A half time Parish Development Officer was appointed to work with deaneries, parishes and individual clergy.

Provision of advice, guidance and services

The CDBF provides advice, guidance and services in a number of different areas, some of which overlap with activities relating to other objectives.

In respect of safeguarding, in 2015 a large number of high-profile cases that the Safeguarding Team have been working on with Sussex Police for a number of years were heard at Court, and the Team continued to provide close liaison with the police and a high level of support to victims prior to and during the Court cases themselves. Additionally, nearly sixty safeguarding training events were held across the Diocese, conducted mostly by the volunteer team, resulting in over 1,000 people trained to Foundation child protection standard. A Parish Safeguarding Officer's conference was held in West Sussex, focusing on adult protection and domestic violence (The meeting for East Sussex is due to be held in 2016), and the Team have started a quarterly safeguarding newsletter providing news, guidance and resources to parishes.

Work to ensure the delivery of statutory functions, including pastoral reorganisation, the Diocesan Advisory Committee for the Care of Churches, the administration of parochial fees and parochial trusts has also continued.

Support for schools

With the changes to the education system, the Education Department has assumed greater responsibility for the improvement of performance in the 158 church schools in the diocese. The Diocese retains the responsibility to support and inspect Christian Distinctiveness.

Overall 82% of our schools are deemed to be good as judged by Ofsted criteria. Two of our East Sussex schools were judged to be outstanding in the 2015 round of inspections, an accolade that is becoming increasingly difficult to achieve. In 2015 we had 1 school in special measures. Our 2 standalone academies are outstanding and lead Teaching School Alliances. We have 4 church school led Teaching School Alliances in the Diocese.

In the SIAMS inspections 26 schools were inspected in 2015 for their Christian Distinctiveness. 10 achieved outstanding; 14 achieved good and 2 required improvement. We affirm and praise our schools, who, supported by the clergy and parishes, remain rooted in their Christian distinctiveness. This is having a positive impact on the lives of our children and is frequently commented on in Ofsted inspections.

During 2015 the Education Department formed a team of Diocesan Improvement Partners made up of consultants and officers, whose role is to gain soft intelligence on each school and to target support in a timely way. The size and geography of the Diocese continue to be a challenge and so we try to work closely with the Local Authorities and the Regional Schools' Commissioner, meeting regularly to review the performance of our schools.

The Diocese has formed a Multi- Academy Trust (MAT) which is currently managing two schools that require improvement. We are anticipating at least three good schools joining in 2016. The MAT has appointed, on secondment, one of our Diocesan Heads to be their first Executive Principal to lead on school improvement.

Joining a MAT or a Federation is seen as the way forward to improvement and sometimes survival, in the case of small schools. We have begun a programme of active encouragement for all our schools to get into formal collaboration with neighbouring schools. In many instances this will involve sharing staff, including the head. Attracting competent, Christian head teachers remains a priority and we have made it our ambition to assist in the appointment of all heads and deputies, attending all short listings and interviews of heads.

Alongside the improvement work in schools we run a programme of Continuing Professional Development and school based reviews. The programme is funded by contributions from schools via a Service Level Agreement and subsidised by part of the grant from the Diocese. It is aimed at school staff, governors, clergy and parishes. Events on Leadership, RE and worship were particularly popular in 2015. We

completed four archdeaconry roadshows for schools and parishes led by the Director of Education and the bishop responsible for strategy looking at how the work in and with schools can help to populate the strategic aims of the Diocese to:

- Grow in numbers and spiritual depth
- Re-imagine ministry
- Contribute to the common good

Many of our schools have a high percentage of vulnerable and disadvantaged children with whom they work hard to achieve the highest outcomes. They are inclusive and strong on equalities, many of them being the local school for the community. Life in school is very challenging and rewarding but telling the “data story” is proving to be vital in an inspection to secure positive outcomes. The attendance of a member of the core team during the inspection and at the feedback helps them to do this.

Facilitation of capital expenditure on schools

The Education Department facilitates capital expenditure and maintenance for 57 Voluntary Aided Schools and 4 academies. It works with the schools to access public capital funding. We have expanded both VC and VA schools to meet the basic need of increasing numbers of children due to demographic change and to maintain our proportion of places. There has been on going investment of several million pounds to expand six primary schools across the Diocese. Approximately £7 Million has been spent expanding our 2 secondary schools in Worthing as a result of the change in the age of transfer.

The Department manages the capital maintenance and condition of our 57 VA schools through the LCVAP funding provided annually from the government. 2015 saw £ 2.4 million secured and this generated an approximate income of £32,000 for the Aided Schools Fund in a levy to help cover our work. We continue to be concerned about the state of historic small primary schools in which there has been under investment over years and some of which are not really suitable for 21st century Education. Land transfers and reviewing the state of buildings of schools seeking to become academies is taking up a lot of time and the results are a cause for concern, particularly where the buildings have been maintained by the LA.

An opportunity to convert three small schools to academy status was turned down because of plant and budgetary constraints.

The environment

The CDBF has been following through with promises made at the adoption of the Diocesan Environmental Policy in 2014. 70% of parishes have been engaged in a survey of energy, water and waste and the CDBF is now working on a Diocesan Energy Scheme utilising professional knowledge and exploring external partnerships to reduce costs and increase the uptake of renewable energy sources. Specific environmental training has also been undertaken with parishes through recognised schemes such as Eco Congregation and now Eco Church.

Contributions to others

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of the various national boards and councils, as well as General Synod, and also to cover a proportion of the cost of national training for ministry. Grants are paid to other connected charities and to other charitable projects which appear to the CDBF to support the furtherance of its objects. In particular, the CDBF deploys the Mission Development Funding grant from the Archbishops' Council and the grant from the All Churches Trust to support local mission through the Mission Fund.

Other related parties include:

- The Church Commissioners, which acts on behalf of clergy with HM Revenue and Customs and through which the CDBF pays for clergy stipends.
- The Church of England Pensions Board, to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.
- Chichester Diocesan Association for Family Support Work and the St Bartz Trust with whom the CDBF works and to whom grants are made to support their work with disadvantaged families and youth work respectively.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements.

The CDBF is dependent on the huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly at times of crisis. Within this context, the CDBF greatly values the considerable time given by all the committee members across the diocese in pursuit of the mission of the CDBF.

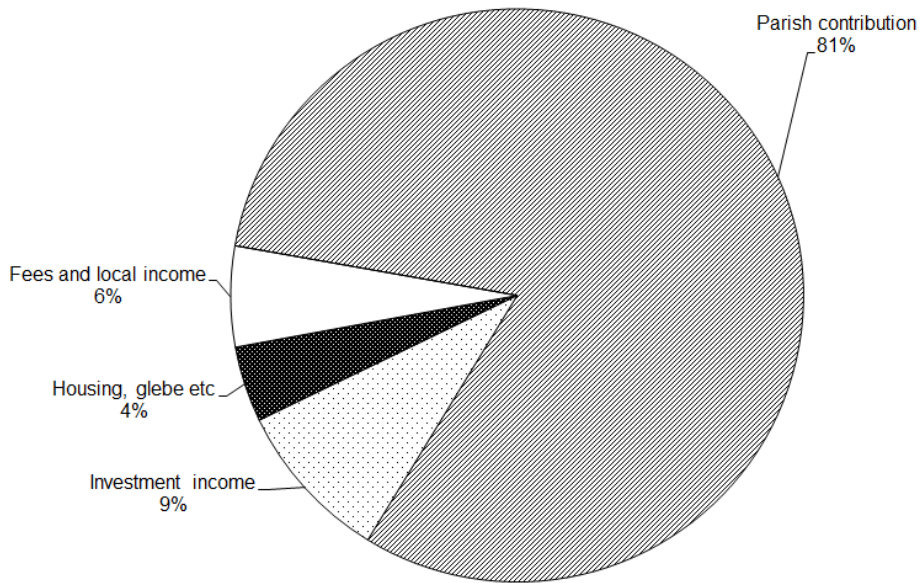
FUTURE PLANS

The strategic aims established by the Diocesan Synod in May 2015 will continue to direct the activities of the CDBF for the next three years.

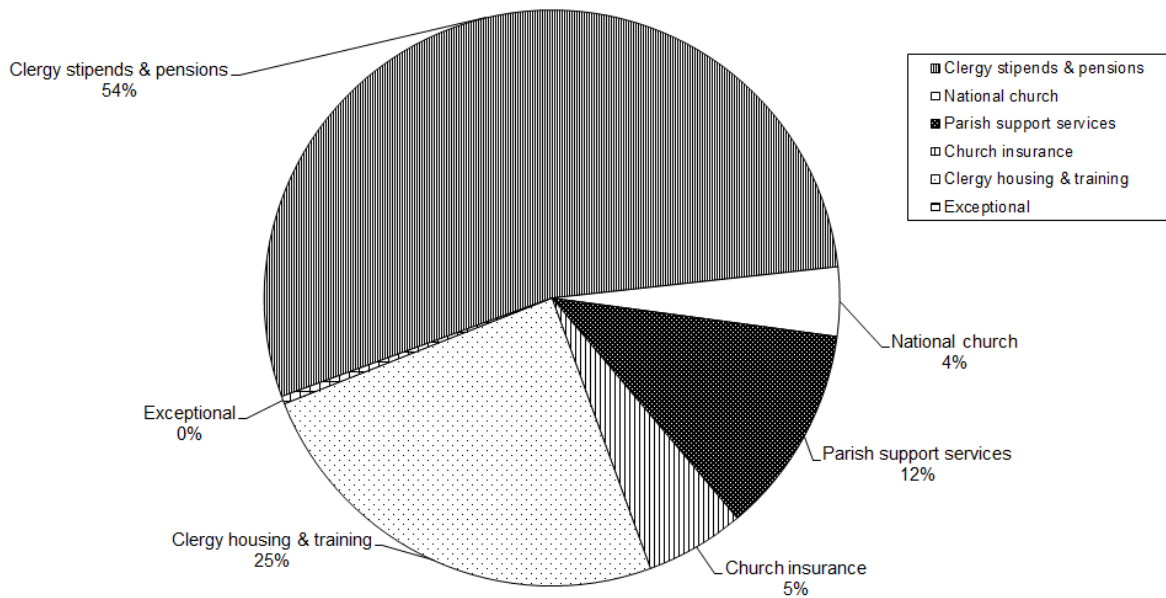
Our major budgetary commitment continues to be the maintenance of a priestly presence in every parish. In accordance with the strategic aim of re-imagining ministry, the training and development of lay members of the church to support the work of the clergy will be an increased priority.

We continue to review our central diocesan structures which are designed to support the vision and priorities of the Diocese.

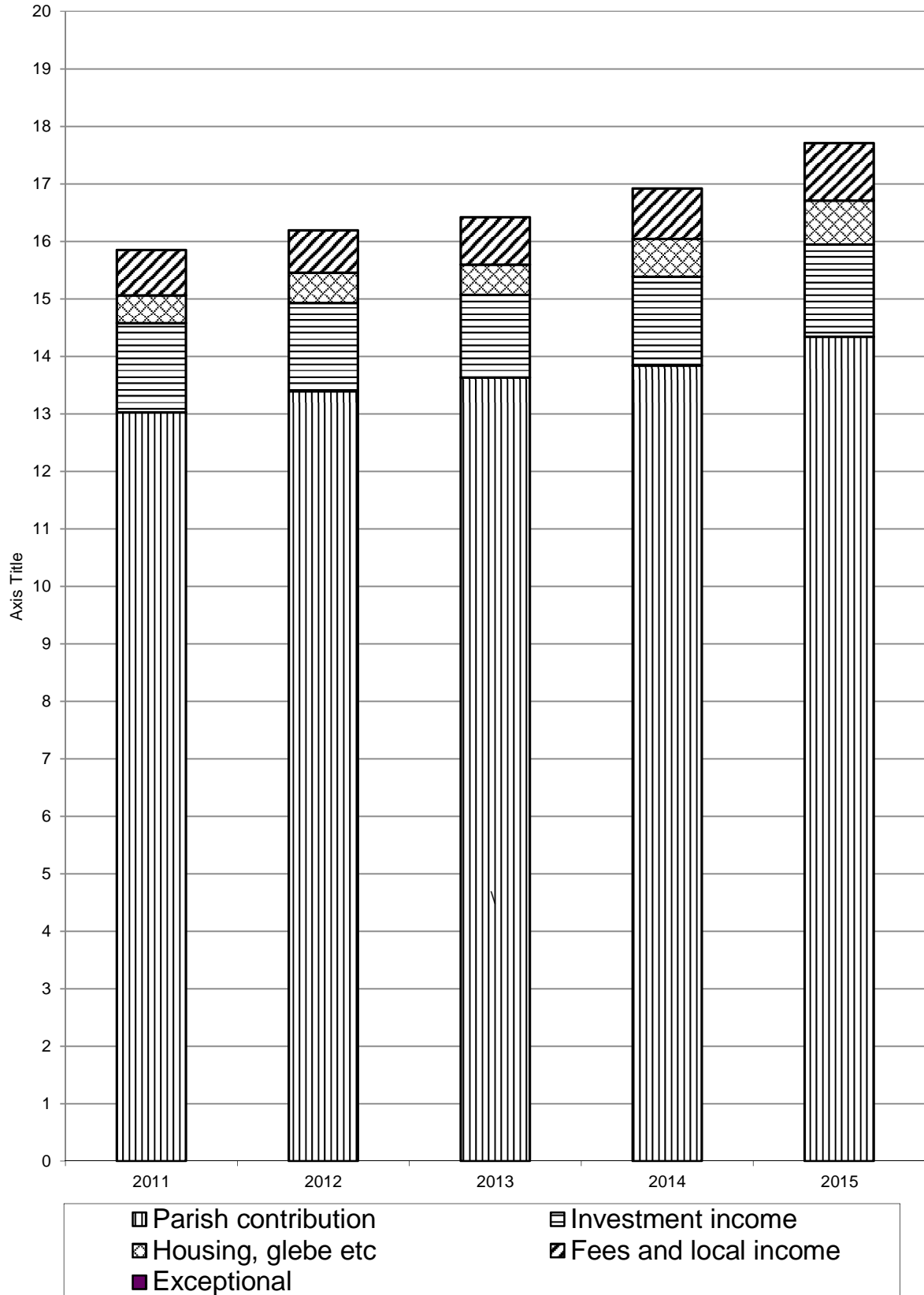
INCOME 2015



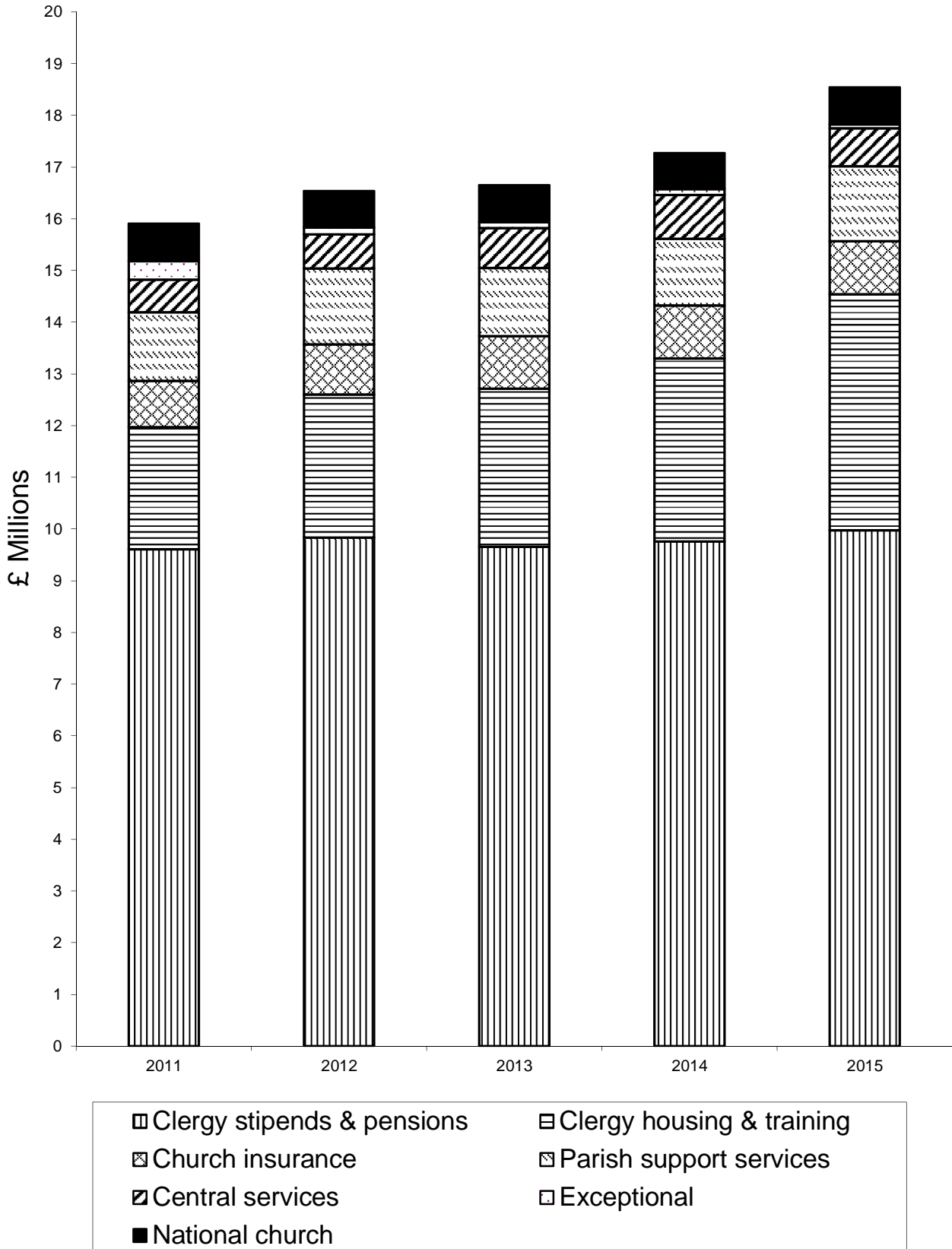
EXPENDITURE 2015



Income Trend 2011 - 2015



Expenditure Trend 2011 - 2015



UNRESTRICTED FUNDS - GENERAL FUND
SUMMARY OF INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

<u>ACTUAL</u> <u>2014</u>		<u>ACTUAL</u> <u>2015</u> £	<u>BUDGET</u> <u>2015</u> £
<u>INCOME</u>			
13,881,676	Parish contribution	14,338,010	14,270,137
1,284,854	Dividends & interest	1,394,634	1,213,200
219,685	Grants from designated funds	216,565	193,500
305,508	Glebe	336,160	255,400
358,232	Housing	421,910	385,500
704,712	Fees & local income	812,857	616,000
166,661	Miscellaneous grants and donations	191,522	161,500
16,921,328	TOTAL INCOME	17,711,658	17,095,237
<u>EXPENDITURE</u>			
<u>The Ministry</u>			
7,467,905	Clergy stipends, grants and fees	7,557,039	7,590,000
2,291,607	Clergy pension contributions	2,422,380	2,420,000
2,561,533	Clergy and layworkers housing	3,196,189	2,441,362
87,606	Clergy widows & retired clergy housing	89,784	65,300
887,711	Training - ordination & other	1,271,525	1,307,579
13,296,362		14,536,917	13,824,241
<u>Direct support for parishes</u>			
1,022,919	Church insurance premium	1,033,042	1,043,725
1,022,919		1,033,042	1,043,725
<u>Parish support services</u>			
411,433	Apostolic Life	381,211	400,680
185,746	Common Good	165,979	165,530
270,148	Diocesan Board of Education	313,389	386,145
185,565	Safeguarding - Children protection	204,575	212,580
46,389	Diocesan Advisory Committee (DAC)	62,877	52,450
50,978	Pastoral Committee	33,332	61,440
46,906	Closed churches	(15,646)	90,000
51,170	Glebe administration	37,057	33,500
88,985	Investment managers fees	87,583	80,000
65,561	Communications	81,810	70,670
107,965	Information technology (IT)	178,701	93,884
586,299	General office, Finance, Governance and Administration	643,902	656,552
2,097,145		2,174,770	2,303,431
111,628	Exceptional items	79,322	50,700
703,959	National Church responsibilities	718,351	715,712
17,232,013	TOTAL EXPENDITURE	18,542,402	17,937,809
(310,685)	(DEFICIT) FOR THE YEAR BEFORE TRANSFERS	(830,744)	(842,572)
<u>TRANSFER FROM PASTORAL FUND</u>			
179,954	Clergy and layworkers housing	700,000	700,000
(130,731)	(DEFICIT) FOR THE YEAR	(130,744)	(142,572)

INCOME

<u>ACTUAL</u> <u>2014</u> £		<u>ACTUAL</u> <u>2015</u> £	<u>BUDGET</u> <u>2015</u> £
<u>PARISH CONTRIBUTION</u>			
13,676,688	Current year	14,135,537	14,270,137
90,172	Current year - Appeal	7,165	-
114,816	Previous years	195,308	-
<u>13,881,676</u>		<u>14,338,010</u>	<u>14,270,137</u>
<u>DIVIDENDS & INTEREST</u>			
83,177	Diocesan stipends fund	50,051	96,100
561,165	Clergy stipends fund	631,619	518,900
599,409	Diocesan pastoral account	663,044	568,200
41,103	Cash on deposit	49,920	30,000
<u>1,284,854</u>		<u>1,394,634</u>	<u>1,213,200</u>
<u>GRANTS FROM DESIGNATED FUNDS</u>			
103,258	Diocesan welfare trust - grants for family support and retired clergy	93,316	81,400
65,386	Elfinsward Fund for:		
11,587	Training - ordination & other	69,227	64,013
5,794	retreats & conferences	12,268	10,458
	information	6,134	5,229
33,660	Training fund	35,620	32,400
<u>219,685</u>		<u>216,565</u>	<u>193,500</u>
<u>GLEBE INCOME (Gross)</u>			
22,826	Rents from land in diocese	22,680	24,000
226,999	Rents from properties in diocese	269,080	187,000
55,683	Rents for diocesan officers' houses	44,400	44,400
<u>305,508</u>		<u>336,160</u>	<u>255,400</u>
<u>HOUSING GENERAL</u>			
34,446	Other income for diocesan officers' hses	27,600	61,500
245,905	Rents from parsonage houses	330,773	248,000
53,235	Rents from retired clergy houses	36,004	51,000
24,646	Rents from miscellaneous houses	27,533	25,000
<u>358,232</u>		<u>421,910</u>	<u>385,500</u>
<u>FEES & INCOME RECEIVED BY INCUMBENTS & OTHERS</u>			
585,490	Parochial fees assigned	673,117	578,000
119,222	Parish trust income	139,740	38,000
<u>704,712</u>		<u>812,857</u>	<u>616,000</u>

INCOME Continued / EXPENDITURE

<u>ACTUAL</u> <u>2014</u> £		<u>ACTUAL</u> <u>2015</u> £	<u>BUDGET</u> <u>2015</u> £
	<u>MISCELLANEOUS GRANTS & DONATIONS</u>		
127,000	Allchurches Trust	129,000	129,000
25,601	Rents from redundant churches	46,259	17,000
2,513	Ordination & institution collections & donation	2,452	5,500
11,547	Donations	13,811	10,000
<u>166,661</u>		<u>191,522</u>	<u>161,500</u>
<u>16,921,328</u>	TOTAL INCOME	<u>17,711,658</u>	<u>17,095,237</u>
	<u>EXPENDITURE</u>		
	<u>CLERGY STIPENDS & GRANTS & FEES</u>		
	Stipends		
6,481,970	Total chargeable to diocese	6,575,847	6,614,600
502,795	National Insurance	519,125	529,200
	Grants		
13,196	Suffragan bishops' housing & council tax	20,100	20,100
39,376	Clergy administration	28,463	12,100
54,136	Archdeacons' operating expenses	67,034	72,000
27,950	Archdeacons' housing & council tax	35,600	35,600
9,076	Bishops' chaplains' housing & council tax	4,892	17,900
64,680	First appointments	53,343	57,000
81,441	Removal	72,700	65,000
96,848	Resettlement	81,828	75,000
	Fees		
96,437	For services & exps for vacancies/sickness	98,107	91,500
<u>7,467,905</u>	Total - Clergy stipends, grants and fees	<u>7,557,039</u>	<u>7,590,000</u>
<u>2,291,607</u>	<u>CLERGY PENSION CONTRIBUTIONS</u>	<u>2,422,380</u>	<u>2,420,000</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2014</u> £		<u>ACTUAL</u> <u>2015</u> £	<u>BUDGET</u> <u>2015</u> £
<u>CLERGY & LAYWORKERS HOUSING</u>			
Property			
552,087	Quinquennial repairs	823,140	894,400
387,183	Ingoing works	421,909	150,000
819,888	Interim repairs	860,827	655,416
257,168	Improvements & decoration grants	479,433	66,640
52,432	Insurance	54,290	76,965
95,065	Fees	107,955	71,000
22,981	Housing rental costs	13,000	20,000
57,876	Water rates and council tax	43,106	82,431
<u>2,244,680</u>		<u>2,803,660</u>	<u>2,016,852</u>
Parsonages department			
257,176	Staff costs	293,029	335,100
18,419	Office expenses	23,284	23,560
6,657	Travel expenses	10,605	7,750
34,601	Miscellaneous expenses	65,611	58,100
<u>316,853</u>		<u>392,529</u>	<u>424,510</u>
<u>2,561,533</u>	Total - Clergy and layworkers housing	<u>3,196,189</u>	<u>2,441,362</u>
<u>CLERGY, THEIR FAMILIES, WIDOWS & RETIRED CLERGY HOUSING</u>			
25,044	Housing costs	25,670	9,300
-	Grants for mortgages	-	1,000
-	Supplementary grants	-	2,000
60,712	Family support incl convalescent grants	62,242	50,000
1,850	Terry's Cross building insurance	1,872	3,000
<u>87,606</u>	Total - Clergy widows and retired clergy housing	<u>89,784</u>	<u>65,300</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2014</u> £		<u>ACTUAL</u> <u>2015</u> £	<u>BUDGET</u> <u>2015</u> £
<u>TRAINING - ORDINATION AND OTHER</u>			
90,544	Staff costs	120,463	92,900
6,154	Office expenses	6,145	7,450
7,550	Housing costs	6,433	11,000
2,148	Travel expenses	4,160	5,500
124	Projects & conferences	319	975
570	Vocation & lay ministers adviser's exps	470	3,000
1,589	BAP conference fees & Travel expenses	2,359	3,000
3,821	NSM Deacon training	4,902	0
15,646	Ordination candidates - single	26,321	23,000
182,944	Ordination candidates - family	221,108	275,000
0	Regional training co-ordinator/partnership	0	200
16,998	Post ordination training	20,725	17,950
20,196	Continuing education for clergy	15,708	28,600
3,550	Grants for conferences and retreats	4,777	4,000
107,254	Curate Housing costs	192,631	190,000
459,088		626,521	662,575
428,623	National church apportionment	645,004	645,004
887,711	Total - Training - ordination and other	1,271,525	1,307,579
1,022,919	<u>CHURCH INSURANCE PREMIUM</u>	1,033,042	1,043,725
<u>APOSTOLIC LIFE</u>			
Directorate			
75,203	Staff costs	49,024	51,000
6,032	Office costs	4,072	5,920
12,054	Housing costs	0	11,000
5,097	Travel expenses	5,539	5,750
741	Resources & equipment	0	1,150
3,735	Projects & conferences	7,116	5,450
0	Diocesan Strategy Rollout	17,128	0
102,862		82,879	80,270
Christian Resources and Stewardship			
33,196	Staff costs	34,810	64,500
3,161	Office expenses	4,143	5,650
1,518	Travel expenses	8,497	2,200
354	Resources & equipment	359	1,250
19,000	Projects & conferences	17,866	20,200
57,229		65,675	93,800
Children and Young people			
122,377	Staff costs	99,924	68,300
10,077	Office expenses	7,137	7,810
10,067	Housing costs	0	11,000
	Grant to St Bartz Trust (children work)	20,295	23,000
3,465	Travel expenses	2,138	6,000
250	Resources & equipment	1,954	500
7,193	Projects & conferences	13,294	4,200
153,429		144,742	120,810

EXPENDITURE Continued

<u>ACTUAL</u> <u>2014</u> £		<u>ACTUAL</u> <u>2015</u> £	<u>BUDGET</u> <u>2015</u> £
Ministry & adult christian education			
82,253	Staff costs	77,262	82,600
7,883	Office expenses	8,729	9,300
-	Travel expenses & home office expenses	62	3,000
139	Resources & equipment	-	400
241	Projects & conferences	530	500
<u>7,397</u>	Diocesan Readers' Board	<u>1,332</u>	<u>10,000</u>
<u>97,913</u>		<u>87,915</u>	<u>105,800</u>
<u>411,433</u>	Total - Apostolic life	<u>381,211</u>	<u>400,680</u>
COMMON GOOD			
Social Concerns			
26,250	Staff costs	5,486	5,500
2,290	Office costs	593	750
6,113	Housing costs	-	-
1,066	Travel expenses	232	1,500
60	Resources & equipment	75	400
<u>704</u>	Projects & conferences	<u>20,800</u>	<u>2,600</u>
<u>36,483</u>		<u>27,186</u>	<u>10,750</u>
Workplace ministry			
40,466	Staff costs	41,090	40,700
7,050	Housing costs	7,100	7,100
3,283	Travel expenses & home office expenses	3,977	2,800
<u>376</u>	Projects & conferences	<u>(1,230)</u>	<u>350</u>
<u>51,175</u>		<u>50,937</u>	<u>50,950</u>
Grants to other councils & organisations			
Diocesan			
7,300	Ecumenical group incl Churches Together	(5,635)	7,400
16,987	Overseas Council	21,943	26,000
4,749	European Ecumenical cttee + conferences	1,901	5,330
-	University chaplains' expenses	-	1,200
<u>33,052</u>	University chaplains' stipends & housing	<u>33,647</u>	<u>27,900</u>
Other organisations			
<u>36,000</u>	Diocesan Assn for Family Support Work	<u>36,000</u>	<u>36,000</u>
<u>98,088</u>		<u>87,856</u>	<u>103,830</u>
<u>185,746</u>	Total - Common Good	<u>165,979</u>	<u>165,530</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2014</u> £		<u>ACTUAL</u> <u>2015</u> £	<u>BUDGET</u> <u>2015</u> £
DIOCESAN BORAD OF EDUCATION			
346,430	Staff costs	347,106	456,000
	Consultant Costs	80,183	17,500
20,946	Office expenses	25,942	27,920
10,139	Travel expenses	16,858	11,925
9,722	Resources & equipment	13,093	7,300
22,622	Projects & conferences	5,738	27,500
(42,000)	Less: Grant - Aided Schools fund	(42,000)	(42,000)
(97,711)	Less: sales of services	(133,531)	(120,000)
<u>270,148</u>	Total - Diocesan Board of Education	<u>313,389</u>	<u>386,145</u>
SAFEGUARDING			
143,842	Staff costs	158,152	159,250
8,842	Office expenses	10,386	13,180
5,231	Travel expenses	5,028	2,000
204	Resources & equipment	1,546	1,150
6,006	Projects & conferences	11,758	10,800
21,440	Miscellaneous expenses	17,705	26,200
<u>185,565</u>	Total - Safeguarding	<u>204,575</u>	<u>212,580</u>
DIOCESAN ADVISORY COMMITTEE (DAC)			
33,289	Staff costs	48,853	34,900
4,849	Office expenses	4,329	5,600
5,253	Travel expenses	6,531	7,000
845	Resources & equipment	665	1,350
639	Projects & conferences	985	2,000
1,514	Miscellaneous expenses	1,514	1,600
<u>46,389</u>	Total - Diocesan Advisory Committee for the care of churches (DAC)	<u>62,877</u>	<u>52,450</u>
PASTORAL COMMITTEE			
48,936	Staff costs	30,198	55,100
1,833	Office expenses	2,207	2,700
-	Travel expenses	387	1,500
-	Projects & conferences	-	500
209	Miscellaneous expenses	540	1,640
<u>50,978</u>	Total - Pastoral Committee	<u>33,332</u>	<u>61,440</u>
<u>46,906</u>	CLOSED CHURCHES	<u>(15,646)</u>	<u>90,000</u>
GLEBE ADMINISTRATION			
19,235	Repairs & improvements	5,798	10,500
2,796	Agents' fees	1,634	5,000
3,043	Rent collection expenses	236	2,000
-	Legal fees	684	13,000
26,096	Planning costs	28,705	3,000
<u>51,170</u>	Total - Glebe administration	<u>37,057</u>	<u>33,500</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2014</u> £		<u>ACTUAL</u> <u>2015</u> £	<u>BUDGET</u> <u>2015</u> £
<u>88,985</u>	INVESTMENT MANAGERS FEES	<u>87,583</u>	<u>80,000</u>
	COMMUNICATIONS		
46,172	Staff costs	38,175	36,900
-	Consultant costs	25,685	10,000
4,549	Office expenses	2,424	3,010
714	Travel expenses	773	1,000
6,687	Resources & equipment	2,062	3,360
18,050	Diocesan leaflet & magazine - costs	24,712	44,000
(10,635)	Diocesan leaflet & magazine - income	(12,033)	(25,000)
(90)	Directories & sundry	12	(3,000)
114	Exhibitions	-	400
<u>65,561</u>	Total - Communications	<u>81,810</u>	<u>70,670</u>
	INFORMATION TECHNOLOGY (IT)		
106,765	Resources & equipment	176,921	92,184
1,200	Website development	1,780	1,700
<u>107,965</u>	Total - Information technology (IT)	<u>178,701</u>	<u>93,884</u>
	<u>GENERAL OFFICE: FINANCE, GOVERNANCE AND ADMINISTRATION</u>		
	(Including costs of the Diocesan synod, Bishop's Council, Board of Finance , Schools finance & stipends committees)		
372,798	Staff costs	441,183	431,650
4,938	Staff training	229	4,000
10,189	Postage and telephone	(1,158)	3,080
(10,114)	Printing and stationery	(7,797)	(18,530)
45,846	Other office expenses	44,468	40,810
16,832	Office equipment depreciation	10,050	22,000
24,893	Hire of equipment	44,195	16,692
2,579	Equipment maintenance	3,457	5,000
15,096	Building light, heat, repairs, cleaning	18,300	18,300
1,366	Staff travel expenses	2,384	3,000
322	Committee members expenses	925	500
7,221	Diocesan synod /Bishops Council	4,900	8,000
-	Election	1,304	150
18,911	External audit	21,055	17,700
9,330	Internal audits	4,620	12,000
4,991	Bank charges	7,455	6,200
20,708	Legal fees - general	1,843	32,000
40,393	Legal - Chancellor, Registrar & solicitor	46,489	54,000
<u>586,299</u>	Total - General Office	<u>643,902</u>	<u>656,552</u>
	<u>EXCEPTIONAL ITEMS</u>		
64,032	Land registry project	38,530	10,000
27,967	Magnet centre	40,792	40,700
19,629	Deanery Visitations	-	-
<u>111,628</u>	Total - Exceptional Items	<u>79,322</u>	<u>50,700</u>

EXPENDITURE Continued

<u>ACTUAL</u> <u>2014</u> <u>£</u>		<u>ACTUAL</u> <u>2015</u> <u>£</u>	<u>BUDGET</u> <u>2015</u> <u>£</u>
	<u>NATIONAL CHURCH RESPONSIBILITIES</u>		
488,239	National Church & General Synod cost	486,945	486,945
32,432	Mission agencies & CPAS pensions	33,703	33,703
173,824	Retired clergy housing scheme	181,564	181,564
9,464	General Synod members' travel expenses	16,139	13,500
<u>703,959</u>	Total - National Church responsibilities	<u>718,351</u>	<u>715,712</u>
<u>17,232,013</u>	TOTAL EXPENDITURE	<u>18,542,402</u>	<u>17,937,809</u>

UNRESTRICTED FUND - BALANCE SHEET
AS AT 31 DECEMBER 2015

<u>2014</u>		<u>2015</u>	
£		£	£
	Tangible fixed assets		
2,345,734	Properties (page 11)		5,858,618
<u>27,874</u>	Furniture, fittings & equipment		<u>26,992</u>
2,373,608			5,885,610
	Investments		
108,677	Investments		113,378
<u>2,482,285</u>			<u>5,998,988</u>
	Current assets		
417,927	Debtors	237,711	
730,880	Loans	609,908	
<u>1,226,373</u>	Bank & Cash Deposit accounts	<u>3,273,643</u>	
<u>2,375,180</u>			4,121,262
	Less current liabilities		
(679,175)	Creditors	(1,131,402)	
<u>(171,354)</u>	Funds held for others	<u>-</u>	
(850,529)			<u>(1,131,402)</u>
1,524,651	Net current assets		2,989,860
	Less long term liabilities		
<u>(330,000)</u>	Loans	<u>(230,000)</u>	
			(230,000)
<u>3,676,936</u>	NET ASSETS		<u>8,758,848</u>
	FUNDS		
	General fund		
846,787	Balance brought forward 1 January	676,600	
(130,731)	Excess expenditure over income for year	(130,744)	
-	Reallocation of payments: Clergy pension liability - 2015	855,000	
-	Reallocation of payments: Clergy pension liability - 2014	743,000	
1,251	Unrealised gain on revaluation of investments	(1,866)	
754	Realised gain on sale of investments	-	
(41,461)	Transfer to Restricted fund - Brighton Christ Church	(43,385)	
<u>-</u>	Transfer from Designated Property fund	<u>183,600</u>	
676,600	Total General fund		2,282,205
3,000,336	Designated funds (page 14)		6,476,643
<u>3,676,936</u>	TOTAL FUNDS		<u>8,758,848</u>

PROPERTY IN THE OWNERSHIP OF THE BOARD OF FINANCE

<u>Date</u>		<u>2014</u>	<u>2015</u>
<u>Acquired</u>		<u>Valuation</u>	
<u>MISCELLANEOUS PROPERTIES</u>			
Sept 95	Church House, New Church Rd Hove	3,961,039	4,349,221
April 02	The Chapel, Pulborough	482,013	529,250
Dec 08	Unit 2, Mardens, Myrtle Road, Crowborough	567,128	-
Dec 13	"Lapwings" Rye	829,505	-
<u>RETIRED CLERGY HOUSES</u>			
Sept 83	49 Westgate, Chichester	150,281	165,009
Dec 87	12 Walsingham Road, Hove	523,971	569,320
Jan 06	19 Mill Close, Fishbourne (leasehold)	218,413	239,818
TOTAL VALUATION OR COST		<u>6,732,350</u>	<u>5,852,618</u>
NET BOOK VALUE		<u><u>6,732,350</u></u>	<u><u>5,852,618</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 Elizabeth	St Leonards-on-Sea, St Peter and St Paul
Hastings, All Souls	
Holtye, St Peter	West Lavington, St Mary Magdalene
Hove, St John the Baptist Day Centre	Wiston, St Mary
Hove, Holy Trinity (Sold 2015)	Woolavington, St Peter's Church
	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 CONTRIBUTION SUMMARY 2015

<u>Net Parish Ministry Costs</u>		<u>Deanery promise</u>	<u>Amount collected</u>	<u>Percentage of receipts to promise</u>	
		£	£	<u>2015 %</u>	<u>2014 %</u>
<u>ARCHDEACONRY OF CHICHESTER</u>					
1,156,615	Arundel & Bognor Deanery	1,109,175	1,048,809	94.6	91.9
777,656	Chichester Deanery	741,269	735,646	99.2	99.9
1,091,124	Worthing Deanery	909,049	909,049	100.0	100.0
370,609	Westbourne Deanery	375,536	367,713	97.9	96.5
<u>3,396,004</u>		<u>3,135,029</u>	<u>3,061,217</u>	<u>97.6</u>	<u>96.8</u>
<u>ARCHDEACONRY OF HORSHAM</u>					
789,781	Cuckfield Deanery	789,781	789,781	100.0	100.0
913,638	East Grinstead Deanery	797,661	796,461	99.8	100.0
895,568	Horsham Deanery	860,295	844,395	98.2	98.6
567,196	Hurst Deanery	567,196	567,196	100.0	100.0
489,663	Midhurst Deanery	461,199	455,046	98.7	94.5
455,779	Petworth Deanery	432,667	432,667	100.0	99.0
469,817	Storrington Deanery	442,080	438,924	99.3	99.7
<u>4,581,442</u>		<u>4,350,879</u>	<u>4,324,470</u>	<u>99.4</u>	<u>99.0</u>
<u>ARCHDEACONRY OF HASTINGS</u>					
570,296	Battle & Bexhill Deanery	490,942	485,400	98.9	99.9
593,275	Dallington Deanery	483,171	483,171	100.0	96.1
1,143,743	Eastbourne Deanery	1,029,106	1,003,783	97.5	89.5
757,642	Hastings Deanery	512,734	502,734	98.0	100.0
668,453	Rotherfield Deanery	652,753	645,908	99.0	99.5
456,748	Rye Deanery	418,290	418,290	100.0	99.7
568,885	Uckfield Deanery	458,063	458,063	100.0	98.1
<u>4,759,042</u>		<u>4,045,059</u>	<u>3,997,349</u>	<u>98.8</u>	<u>96.4</u>
<u>ARCHDEACONRY OF BRIGHTON & LEWES</u>					
1,313,781	Brighton Deanery	1,173,475	1,173,475	100.0	96.8
787,995	Hove Deanery	704,885	683,077	96.9	92.7
996,267	Lewes & Seaford Deanery	895,948	895,948	100.0	98.2
<u>3,098,043</u>		<u>2,774,308</u>	<u>2,752,500</u>	<u>99.2</u>	<u>96.1</u>
<u>15,834,531</u>	Total as per Red Book	<u>14,305,275</u>	<u>14,135,536</u>	<u>98.8</u>	<u>97.2</u>
	Monies received in the Chairman's appeal		7,165	0.1	0.6
	Additional monies received up to 28 February 2016		34,615	0.2	0.8
			<u>14,177,316</u>	<u>99.1</u>	<u>98.6</u>
	Shortfall		127,959	0.9	1.4
	Total deanery promises		<u>14,305,275</u>	<u>100.0</u>	<u>100.0</u>

ENDOWMENT AND RESTRICTED FUNDS - BALANCE SHEET
AS AT 31 DECEMBER 2015

<u>2014</u>		<u>2015</u>
£	<u>PROPERTY AT VALUATION</u>	£
3,489,613	Terry's Cross main house - Terry Cross Fund	5,167,433
317,628	Chaplaincy House, Falmer - University Fund	624,389
1,583,890	Deserted Widows property - Clergy Welfare fund	1,398,954
N/a	Parsonage property - Parsonage fund	164,086,209
N/a	Glebe property - Stipend fund	37,985,693
N/a	Glebe Land - Stipend Fund	4,334,726
<u>5,391,131</u>		<u>213,597,404</u>
	<u>INVESTMENTS AT MARKET VALUE</u>	
15,454,209	M&G Charifund units	15,406,990
26,384	M&G Charibond units	24,980
12,337,426	Charles Stanley Portfolio	11,483,576
-	EdenTree - Amity Balance fund for Charities	1,990,195
5,818,053	JM Finns Portfolio	5,313,884
59,442	CBF investment fund	60,251
2,616,908	CBF fixed interest security shares	2,515,681
<u>36,312,422</u>		<u>36,795,557</u>
	<u>CURRENT ASSETS</u>	
738,239	Loans	741,163
15,160	Debtors	3,626
5,815,576	Bank & Cash Deposit accounts	6,728,427
<u>6,568,975</u>		<u>7,473,216</u>
48,272,528		<u>257,866,177</u>
	<u>LESS: CURRENT LIABILITIES</u>	
(1,060,408)	Loans to the Board for houses purchased for deserted spouses	(1,279,275)
-	Creditors	(280,038)
N/a	Clergy pension scheme	(7,846,000)
(1,017,417)	Other equity sharing loans	(640,936)
<u>(2,077,825)</u>		<u>(10,046,249)</u>
<u>46,194,703</u>		<u>247,819,928</u>
	FUNDS (page 14)	
24,529,552	Endowment funds	228,558,215
21,665,151	Restricted funds	19,261,713
<u>46,194,703</u>		<u>247,819,928</u>

BREAKDOWN OF ENDOWMENT, RESTRICTED AND DESIGNATED FUNDS

<u>ENDOWMENT FUNDS</u>	Balance 01/01/2015 Restated	Income	Expendi- ture	Revaluation of property / investments	Balance 31/12/2015
	£	£	£	£	£
Diocesan stipends fund (p15)	45,720,129	5,029	(67,000)	3,192,628	48,850,786
Parsonage Fund (p17)	153,264,695	-	-	14,701,542	167,966,237
Clergy welfare fund	2,026,941	-	-	(35,584)	1,991,357
Elfinsward trust	1,908,081	-	-	(34,896)	1,873,185
Terry's Cross	4,801,370	-	-	461,210	5,262,580
Jenkinson trust	44,442	-	-	(770)	43,672
Training fund	798,381	-	-	(14,131)	784,250
University chaplaincy	556,436	-	-	55,279	611,715
Hayllar trust	65,514	-	-	(1,142)	64,372
The Poling Fund	582,902	-	-	(3,072)	579,830
The Arnold Bequest	536,655	-	-	(6,424)	530,231
	210,305,546	5,029	(67,000)	18,314,640	228,558,215

Note: Endowment funds consist of invested capital. 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 01/01/2015 Restated	Income	Expendi- ture Transfer	Revaluation of property/ investments	Balance 31/12/2015
	£	£	£	£	£
Diocesan pastoral account (p16)	17,969,852	461,265	(1,400,125)	(289,398)	16,741,594
Clergy welfare fund	697,398	92,026	356,974	(5,906)	1,140,492
B Wild Clergy Welfare Fund	-	-	910,797	-	910,797
The Poling Fund	15,735	28,027	(32,200)	-	11,562
Clergy widows	48,767	28	(2,025)	-	46,770
University chaplaincy	31,913	1,293	(79)	-	33,127
Jenkinson trust	15,546	1,986	(112)	-	17,420
Hayllar trust	74,582	3,507	(179)	-	77,910
World Church Experience	-	48,542	-	-	48,542
Harvest Appeal	-	83,153	(10,457)	-	72,696
Ebola Fund	-	71,835	(71,835)	-	-
The Arnold Bequest	47,246	24,677	(24,607)	259	47,575
O/seas bishoprics - Guinea	1,279	-	(1,279)	-	-
Christ Church	30,975	63,705	(74,478)	-	20,202
Reader Committee	32,961	11,587	(31,805)	-	12,743
Schools resources	4,550	3,000	(2,400)	-	5,150
ADs' funds - Care of Churches	-	12,270	-	-	12,270
Scorrer Music fund	-	19,412	-	-	19,412
Diocesan Pilgrimage - Holy Land	-	10,934	-	-	10,934
Youth development/leadership	-	32,517	-	-	32,517
	18,970,804	969,764	(383,810)	(295,045)	19,261,713

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

<u>DESIGNATED FUNDS</u>	Balance 01/01/2015	Income	Expendi- ture	Transfers & revaluations	Balance 31/12/2015
	£	£	£	£	£
Property fund	6,732,350	-	-	(879,732)	5,852,618
Church House reserve	47,915	-	(47,915)	-	-
Parish mission fund	606,687	154,728	(189,401)	-	572,014
Bishop Certificates	36,364	333	(541)	(198)	35,958
Ecumenical officer fund	-	16,053	-	-	16,053
	7,423,316	171,114	(237,857)	(879,930)	6,476,643

DIOCESAN STIPENDS FUND CAPITAL ACCOUNT
31 December 2015

	£
Balance 1 January 2015 (restated)	41,269,488
Balance 1 January 2015 - Transfer of Clergy Stipends fund	13,084,641
Balance 1 January 2015 (restated) - Clergy Pension Scheme	<u>(8,634,000)</u>
	45,720,129

INCOME

Legacy	The Late Peter Bellamy	<u>5,030</u>
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INCOME

<u>Sale of Glebe property etc.</u>	Valuation	Proceeds	Profit/(loss)
27 Gatesmead Haywards Heath	446,368	490,112	43,744
3 Danehurst Crescent Horsham	481,275	528,440	47,165
	<u>927,643</u>	<u>1,018,552</u>	<u>90,909</u>

TOTAL INCOME 95,939

REVALUATIONS OF ASSETS AND PENSION LIABILITY

Revaluation of Glebe property for the 12 months at 31st December 2015	3,277,042
Revaluation of Glebe land for the 12 months at 31st December 2015	84,172
Revaluation of Clergy Pension Deficit at 31st December 2015	<u>(67,000)</u>

GAINS/(LOSS) ON REVALUATION OF INVESTMENTS

Realised gain/(loss) on sale of Charles Stanley Portfolio	11,106
Realised gain/(loss) on sale of JM Finns Portfolio	<u>(791)</u>
	10,315

Unrealised gain/(loss) on revaluation of CBF FIS shares	(39,713)
Unrealised gain/(loss) on revaluation of Charles Stanley Portfo	(155,242)
Unrealised gain/(loss) on revaluation of JM Finns Portfolio	(55,710)
Unrealised gain/(loss) on revaluation of M&G Charifund units	<u>(19,146)</u>
	(269,811)

NET GAIN ON REVALUATION OF INVESTMENTS (259,496)

Balance 31 December 2015	<u><u>48,850,786</u></u>
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REPRESENTED BY:

	<u>Market</u> <u>value</u> £
CBF Fixed Interest Shares	986,972
Charles Stanley Portfolio	5,365,543
JM Finns Portfolio	2,284,224
M&G Charifund units	<u>6,369,654</u>
	15,006,393
Glebe Property at Valuation	37,985,693
Glebe Land at Valuation	4,334,726
Cash at bank	(630,026)
Creditor - Clergy pension Fund Liability	<u>(7,846,000)</u>
	<u><u>48,850,786</u></u>

MEMO

<u>Purchase of Glebe properties</u>		
5 Christchurch Rd Worthing - Alteration to property	44,010	
Ebenezer House, Kingston Ridge - Alteration to property	222,489	
9 Riggers Way Hailsham	278,985	
14 Marine Drive Lewes - Alteration to property	<u>24,527</u>	
	570,011	

DIOCESAN PASTORAL ACCOUNT
31 December 2015

		£
Balance 1 January 2015		17,969,852
INCOME		
<u>Legacies</u>		-
<u>Sale of land</u>		
Horsham St Mary's - parsonage land	6,350	
Streat PCC - Rectory Barn - benefice land	<u>134,915</u>	
		141,265
<u>Sale of redundant church</u>		
Holy Trinity - Hove	<u>320,000</u>	
		<u>320,000</u>
TOTAL INCOME		461,265
EXPENDITURE		
<u>Grants</u>		
Church Commissioners	(100,000)	
Trinity Project Lewes	(500,000)	
St John Sub Castro - repair project	<u>(100,000)</u>	
		<u>(700,000)</u>
<u>Other</u>		
Miscellaneous	Legal notices	<u>(125)</u>
		<u>(125)</u>
TRANSFER TO GENERAL FUND		
Relating to Clergy and layworkers housing	<u>(700,000)</u>	
TOTAL EXPENDITURE AND TRANSFER		(1,400,125)
GAINS/(LOSS) ON REVALUATION OF INVESTMENTS		
Realised gain/(loss) on sale of Charles Stanley Portfolio	7,777	
Realised gain/(loss) on sale of JM Finns Portfolio	<u>(802)</u>	
		6,975
Unrealised gain/(loss) on revaluation of CBF FIS shares	(55,039)	
Unrealised gain/(loss) on revaluation of Edentree	(57,047)	
Unrealised gain/(loss) on revaluation of Charles Stanley Portfolio	(108,729)	
Unrealised gain/(loss) on revaluation of JM Finns Portfolio	(56,489)	
Unrealised gain/(loss) on revaluation of M&G Charifund units	<u>(19,069)</u>	
		<u>(296,373)</u>
NET GAIN ON REVALUATION OF INVESTMENTS		(289,398)
Balance 31 December 2015		<u><u>16,741,594</u></u>
REPRESENTED BY:		
		<u>Market</u>
		<u>value</u>
		£
Investments		
CBF Fixed Interest Shares		1,367,877
Edentree - Amity Balanced fund for charities		1,990,195
Charles Stanley Portfolio		3,757,926
JM Finns Portfolio		2,316,171
M&G Charifund units		<u>6,344,201</u>
		15,776,370
Debtors		3,466
Cash at bank		1,241,796
Creditors		(280,038)
		<u><u>16,741,594</u></u>

PARSONAGE FUND
31 December 2015

£

Balance 1 January 2015 - restated 153,264,695

INCOME

<u>Sale of parsonages etc.</u>	Valuation	Proceeds	Profit/(loss)
Bishopstone	701,831	770,610	68,779
Beckley and Peasmarsh	438,005	480,929	42,924
Brede	329,808	362,129	32,321
Newick	920,594	1,010,812	90,218
	<u>2,390,238</u>	<u>2,624,480</u>	<u>234,242</u>

TOTAL INCOME 234,242

Revaluation of property for the 12 months to 31st December 2015 14,467,300

Balance 31 December 2015 167,966,237

REPRESENTED BY:

Parsonage Property at Valuation	164,086,209
Cash at bank	<u>3,880,028</u>
	<u><u>167,966,237</u></u>

MEMO

<u>Purchase of parsonages</u>	
Burgess Hill - St Edwards - Alteration to property	54,606
Newick	927,868
Peasmarsh	<u>453,763</u>
	<u>1,436,237</u>

ARCHDEACON'S LOAN FUNDS - BALANCE SHEET AT 31/12/15

	<u>Sussex Church Campaign</u>	<u>Denne</u>	<u>Godman</u>	<u>Rawson</u>	<u>TOTAL</u>
	£	£	£	£	£
<u>CAPITAL</u>					
At 1 January 2015	107,954	210,221	80,516	105,902	504,593
Unrealised gains/(loss) on revaluation of investments	(527)	(4,132)	(445)	(886)	(5,990)
At 31 December 2015	<u>107,427</u>	<u>206,089</u>	<u>80,071</u>	<u>105,016</u>	<u>498,603</u>

Investments at market value

M&G Charifund units	101,934	111,768	74,576	89,674	377,952
CBF F.I.S. shrs	5,493	94,321	5,495	15,342	120,651
	<u>107,427</u>	<u>206,089</u>	<u>80,071</u>	<u>105,016</u>	<u>498,603</u>

ACCUMULATED INCOME

At 1 January 2015	232,980	419,153	204,110	257,799	1,114,042
Investment income 2015	5,501	10,044	4,513	5,485	25,543
	<u>238,481</u>	<u>429,197</u>	<u>208,623</u>	<u>263,284</u>	<u>1,139,585</u>

Represented by:

CBF deposits	68,397	145,449	129,141	99,593	442,580
Bank	59,444	142,089	20,482	68,489	290,504
Loans outstanding	110,640	141,660	59,000	95,200	406,500
	<u>238,481</u>	<u>429,198</u>	<u>208,623</u>	<u>263,282</u>	<u>1,139,584</u>

Funds currently available	127,841	287,538	149,623	168,082	733,084
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AIDED SCHOOLS FUND
INCOME & EXPENDITURE 2015

<u>2014</u>		<u>2015</u>	
£	INCOME	£	£
<u>25,360</u>	Dividends and interest	<u>28,038</u>	
25,360	TOTAL INCOME		28,038
	EXPENDITURE		
42,000	DBF administration charge	42,000	
-	Legal expenses etc	-	
-	Grant to Chichester Multi Academy Trust	55,000	
<u>178</u>	Bank charges	<u>372</u>	
(42,178)	TOTAL EXPENDITURE		(97,372)
39,211	UNREALISED GAIN/(LOSS) ON REVALUATION OF INVESTMENTS		(2,793)
<u>22,393</u>	NET MOVEMENT IN FUNDS		<u>(72,127)</u>

BALANCE SHEET 31/12/15

£		
1,923,673	Balance 1 January	1,946,066
<u>22,393</u>	Profit/(loss) for the year	<u>(72,127)</u>
<u>1,946,066</u>	Balance 31 December	<u>1,873,939</u>
	REPRESENTED BY:	
751,372	Investments at market value	748,579
64,435	Long term loans to governors	39,958
491,362	Debtor -Building project loans (repayable by DCSF, LEA & school gov's)	585,201
5,537	Debtors	12,629
236,054	CBF deposit	548,467
595,847	Cash at bank	1,447,529
	Creditor -Building project loans (repayable to LEA)	(868,057)
(158,894)	Creditors	(600,720)
<u>(39,647)</u>	Contingent liability	<u>(39,647)</u>
<u>1,946,066</u>		<u>1,873,939</u>

FUNDS HELD IN TRUST
FOR PARISHES AND OTHER ORGANISATIONS
YEAR ENDING 31 DECEMBER 2015

2014		2015
£		£
12,568,437	CAPITAL	12,588,951
70,468	INCOME	83,808
12,638,905		12,672,759
REPRESENTED BY:		
11,915,959	Investments at market value	11,976,973
3,300	Sundry debtors	3,300
723,472	Central Board of Finance deposits	619,452
(160,078)	Creditor	(52,048)
156,252	Cash at bank	125,082
12,638,905		12,672,759

377,139	Capital held in trust for chancels	430,898
1,673	Capital held on account for administration	2,966
219,361	Accumulated income (claimable by parishes)	217,695
598,173		651,559

REPRESENTED BY:		
392,299	Investments at market value	437,384
211,904	Central Board of Finance deposits	220,916
(6,030)	Creditor	(6,741)
598,173		651,559

EDUCATION TRUST FUNDS

2,141,174	FUNDS HELD FOR GOVERNORS & TRUSTEES	2,163,808
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REPRESENTED BY:		
1,378,958	Investments at market value	1,380,326
762,216	Current deposits and bank	783,482
2,141,174		2,163,808

DONATIONS and LEGACIES 2015 (see page 3)

Chichester Cathedral	£ 11,500
Mothers Union	£ 1,500
6 sundry donations under £250	£ 811
Total	<u>£13,811</u>

ORDINATION & INSTITUTION COLLECTIONS & DONATIONS 2015 (see page 3)

Archdeaconry of Chichester

Arundel and Bognor deanery:

Slindon Pcc £ 100

Worthing deanery:

Tarring St Andrew 416

Archdeaconry of Horsham

Archdeaconry of Hastings

Eastbourne deanery:

Eastbourne St John's Mead £123

Archdeaconry of Brighton and Lewes

Hove deanery:

Hollington £ 51

Lewes and Seaford deanery:

Berwick PCC £ 100

Lewes St Anne £ 151

Donation to Ordination candidates fund £ 1,511

Total **£2,452**

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.

LOCAL CHURCH FINANCIAL CHALLENGES

First of all, we recognise that an individual donor's loyalty is often to their local church. Any Diocesan encouragement or scheme is only helpful if it elicits the generosity of local people to channel their giving into the part of the church they value most – usually the local parish.

Secondly, each local church will have its own set of financial challenges. For a few, there is a sense of self-sufficiency and sustainability – the church has enough 'critical mass' to reach out to its local population and raise the money needed to deploy various ministries. For others there are major building or project costs that are hard to fund. For others there may be a change in donor profiles which suddenly reduces income. For yet others, even meeting running costs is severely challenging, let alone the Parish Contributions that flow into the Diocese to fund clergy employment and other central services.

There is no universal model or solution, but there is a great deal of well-organised guidance available from Church House. The starting point is the website www.chichester.anglican.org/stewardship from where you can be quickly guided to resources of interest. Follow this up with a call to the Stewardship Officer (01273 421021 or email stewardship@chichester.anglican.org.uk). You'll find us ready to discuss the challenges realistically and identify well-tested solutions – whether they are for encouraging congregations to more generous and tax-efficient giving, or identifying funding sources for capital projects.

While the challenges are significant, there is no reason to be pessimistic. Across our diocese, some £25million is given each year to and through local churches. That's a huge sum and reflects the extraordinary generosity of the people of Sussex. But – looked at another way – it's a very tiny fraction of one percent 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 fund of disposable income as yet untapped.

A number of new Diocesan initiatives will help. To help local churches understand their populations in greater detail, there's the PIPS-GIS system which maps the whole of Sussex in intricate demographic detail. To help with regular giving there is the Parish Giving Scheme a standardised direct-debit system so that donors can sign up for regular contributions to local churches.

These innovations will 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:

1. Preach and teach generous giving
2. Link giving to mission and ministry
3. Encourage annual review of giving
4. Thank givers annually

Everything comes from you, and we have given you only what comes from your hand
1 Chronicles 29:14

More detail on tax-effective giving at www.tax-effective-giving.org.uk

More information about these topics can be obtained from Christian Stewardship at Church House in Hove: email stewardship@chichester.anglican.org; tel 01273 421021. More details about stewardship and fundraising resources for parishes can be found at www.parishresources.org.uk.

Archdeaconry parsonages sub committees

- Chairmen: The Archdeacons of Chichester, Horsham, Hastings and Brighton & Lewes
- Vice-chair: Mrs V Burgess (to December 2015)
- Ex officio: Mr J Booth
- Elected: Revd M Harper, Revd P Mundy (from January 2016), Mrs S Stonor (from January 2016), Revd J Eldridge, Revd David Twinley (from January 2016), Mrs V Burgess (from January 2016)
- Nominated: Ms K Agnew (from January 2016), Ms Alison Rickard (from January 2016), Mr R Vause (from January 2016), Mrs M Nagel, Revd J Newson (to December 2015), Mrs J Wilkinson (to December 2015)
- Co-opted: Revd M Betson, Mr R Crook, Mrs M Jenkins, Mr F Midmer, Mrs L Miller, Mr E Redstone, Mrs K Sims, Revd Mrs P Sinton, Revd D Wallis – **(All to December 2015)**

OFFICERS

Diocesan Secretary	Miss G Higgins
Legal advisers	Winkworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB
Registered auditor	Haysmacintyre 26 Red Lion Square, London, WC1R 4AG
Banker	Barclays Bank plc 90/92 High Street, Crawley, West Sussex, RH10 1BP
Diocesan office	Diocesan Church House, 211 New Church Road, Hove BN3 4ED (tel 01273 421021)
Apostolic Life Director	Reverend Canon R Swyer
Education Director	Canon Dr A Holt OBE
Property Director	Mr S Ralph
Diocesan Accountant	Mr A Cunningham

Help for local churches seeking to resource their ministry:

The Diocesan Church Growth team is here to help you:
please call 01273 421021 and ask for 'Church Growth'

Online resources:

www.chichester.anglican.org/money

- a good starting point for all Diocesan money matters

www.parishresources.org.uk

- an excellent website setting out all aspects of stewardship in the local church

www.churchlegacy.org.uk

- a site with information about gifts in wills, or legacies

Four key points from *Giving for Life*

1. Preach and teach generous giving
2. Link giving to mission and ministry
3. Encourage annual review of giving
4. Thank givers annually

Please contact Church House if you want materials to support *Giving for Life* – we have booklets for PCCs, a special leaflet for clergy and pew leaflets available.

Call 01273 421021 and ask for Church Growth

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