

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



2016

103rd ANNUAL REPORT AND FINANCIAL STATEMENTS

APPROVED AT THE DIOCESAN SYNOD 20th May 2017

REPORT OF THE DIOCESAN FINANCE COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The Diocese of Chichester is one of the largest in the Church of England with 407 licensed clergy, 479 churches and 158 church schools. Its financial affairs are correspondingly complex. We set out here to present the diocesan management accounts as simply and transparently as possible for the benefit of DBF members.

Parish contributions for 2016 displayed once again the magnificent generosity of our congregations throughout East and West Sussex, increasing by just over 1% and showing a collection rate of almost 99% of the amount pledged at the beginning of the year. Collection of previous years' arrears was less strong following a bumper year in 2015 and, while dividend income was up almost 5%, our rental income from glebe and housing declined as several properties were sold or brought back into our own use, leaving overall income down by just under 1% to £17.6m. Investment returns were strong and our portfolio showed a total return of 13.5% for the year with an income yield of 4.16%.

Overall our expenditure was well below budget with most of the underspend being on stipends where the national shortage of clergy has meant that posts remain unfilled for longer, and on education where recruitment and progress in adding schools to our multi-academy trust have been slower than anticipated. The latter meant that our proposed subsidy from the Pastoral Fund was not required for education this year leaving only the £1.45m transfer to continue the property maintenance programme in its second year of five.

I am delighted to report that after this transfer, our outturn in the General Fund for the year was a surplus of £49,496, an improvement on the balanced budget approved by Synod in November 2015 and the first General Fund surplus for a number of years. I would like to express our gratitude to all the managers and staff at Church House for the hard work and commitment that underpin this result and facilitate all that we achieve together as the people of God in Sussex.

Over and above their financial support, the incalculable generosity of time given by our congregations is truly inspiring. I would like to offer my personal thanks 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 essential and much appreciated.

John Booth DL
Chairman

March 2017

DETAILED COMMENTS

The accounts published in this booklet, known as the Red book, reflect expenditure versus the budget for 2016 approved by Diocesan Synod in November 2015. 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 Report and Accounts which meets the requirements of the Companies Act, the current statement of recommended practice (SORP) and follows the guidelines set out under the regulations laid down in the Charities Act, is available on request. 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 Chichester Cathedral and various other associated diocesan bodies are published separately by each individual entity.

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

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

A deficit (before transfers) of £1,669,400 was budgeted for the year. It was budgeted that £1,669,400 would be transferred from the Pastoral Account: £1,447,000 towards property costs, and £222,400 towards education costs. The transfer in respect of property costs was the second year of a Diocesan Synod approved five year programme to upgrade parsonages starting in January 2015 and was duly made. The education transfer was not necessary for the reasons explained below and the outturn after the transfer was a surplus of £49,496.

Overall income for 2016 was £223,319 below budget representing a 1% decrease on 2015. Current year parish contribution receipts were ahead of 2015. However, due to the significant recovery of arrears in 2015, the total amount collected in parish contribution in 2016 was below the amount received in 2015. Parish contributions pledged for 2016 totalled £14,477,288, a 1% increase on the pledges for 2015. The collection rate for the year was 98.8%. 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.

The investment portfolio performed well during the year, producing an income yield of 4.16% and a total return of 13.5%. It remains our policy to hold a balanced investment portfolio maximising income while protecting capital value for future generations.

Income from housing was slightly below budget. 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 staff 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 staff but to prioritise parochial use. The reduction in income was due to the number of properties brought back into parochial use or sold during the year.

Income from fees and local income was above budget by £42,543. A decrease in parochial fees of £88,117 on the prior year had been budgeted, but these were £56,275 above budget, meaning a decrease of £31,842 on the prior year. As the number of church weddings and funerals declines, this income is expected to continue to erode in future years. Income from parish trusts showed a decrease of £50,684 against prior years and £13,732 against budget.

Total expenditure before transfers from the Pastoral Fund was below budget by £496,309. Approximately two-fifths of this was due to an underspend by the Education Department, and the intended transfer from the Pastoral Fund to cover part of the expected education expenditure was not therefore necessary.

Expenditure on stipends and grants was £310,223 under budget and clergy pension contributions were £92,820 below 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 £203,593, reflecting the continuing programme to improve the standard of clergy housing. Funding of this programme, as has been mentioned, will be 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 non-stipendiary clergy, including training for the distinctive diaconate, was some £78,697 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 ‘parish support services’ departments. Most departments were on or within budget with the principal exception of Administration which was £50,292 over budget. Over two-thirds of this was a transfer of staff costs from IT to General Office, with a corresponding reduction in IT expenditure. The remainder was due to cover needed in two departments to cover staff

absences and vacancies. The most significant underspend was in the Diocesan Board of Education, where savings against budget of £199,558 reflected the fact that not all staff posts were filled during the year.

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

General Fund Balance Sheet (page 10)

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

Endowment and restricted funds (pages 13 to 19)

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

The property fund is required to distinguish between the Board's free reserves and those held in property assets. It should be noted that the balance of £6,019,664 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 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, 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 of the Diocese and by doing only those things which are best done at diocesan level or otherwise add value to the work of parishes, chaplaincies and schools.

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

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

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

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, including the provision of financial support to those training for ministry
 - Providing ministerial development reviews and continuing ministerial education for clergy
 - Providing pastoral care and welfare support to clergy, including financial assistance where needed
 - Implementing improvements to pastoral organization

- 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, including bidding for new free schools
- 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
- To support the Anglican church, nationally and internationally, and other particular ministries to groups and communities
- To run an effective organisation in order to deliver these objectives, including the provision of support to the senior clergy and management of assets.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Resourcing a Christian presence

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

The presence of clergy and lay ministers in the parishes and communities of the Diocese is an important part of delivering the Diocese's mission. They engage in a wide variety of community and church projects and carry out over 1,500 weddings or blessings, 4,000 funerals and 3,000 baptisms each year. Over 400 licensed clergy and 160 licensed readers minister in the 363 parishes in the Diocese, with 28 new stipendiary clergy appointments and 4 new readers licensed during 2016. The Education Department appointed 106 new foundation governors for church schools and helped to appoint 23 new head teachers. A new Officer for Lay Vocations and Ministry was also appointed to develop this area of work.

During the year the CDBF paid stipends, pensions and other employment costs totalling £9.25 million for incumbents, curates and other clergy, increasing stipends in line with national recommendations. The payroll is administered by a separate charity, the Archbishops' Council, and the CDBF reimburses the costs, which form by far its largest financial commitment. There was an average vacancy rate of 36 stipendiary posts during the year, significantly in excess of the budgeted rate of 27. 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 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.

Provision of housing

The Property Department has continued its efforts to address the historic maintenance backlog. The annual quinquennial repair programme covered 75 of the diocese's 380 properties, spending c.£800,000, and 66 properties were made ready for incoming clergy at a cost of c. £700,000. The following improvement works were also carried out:

- Four properties were re-roofed or had significant roof repairs.
- 19 properties had replacement boilers or upgrades to their central heating systems
- Seven properties had replacement bathrooms
- Ten properties had replacement kitchens
- Ten properties had replacement UPVC windows and doors.

In addition two special projects were completed, one relating to flood defence works and the other a loft conversion. The overall cost of these improvements was c.£620,000.

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 £225,000 were made to ordinands to support them and their families during their training.

Training programmes for specific lay ministries (lay ministers of communion and readers) continued to be delivered. A review of lay ministry provision was begun, including a review specifically of reader ministry. Some restructuring was undertaken in the department to enable change and development in this strategically important area.

Ministerial Development Review and Continuing Ministerial Development

A new scheme of Ministerial Development Review (MDR) was launched successfully, with a dedicated administrator and half-time Continuing Ministerial Development (CMD) officer.

Pastoral care and welfare support

A Pastoral Care Policy and the recruitment of a full-time Officer for Pastoral Care and Counselling were new initiatives, seeking to offer dedicated welfare support to clergy and their families. 94 grants amounting to nearly £125,000 were made.

Implementing improvements to pastoral organisation

Sixteen Mission and Pastoral schemes were progressed to improve pastoral organisation. Eight were completed during 2016, and it is hoped that most of the rest will be completed by Easter 2017.

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. A new team of Vocation Guides was trained and deployed, whose role is to undertake initial discernment with candidates when the nature of their calling may not yet be clear. The arrival of a new Diocesan Director of Ordinands (DDO), a part time Vocations Officer and additional assistant DDOs has significantly strengthened the capacity and efficiency of the team. The team has begun work on a vocations strategy to increase significantly vocations to ordained ministry, in particular from women and young people.

Supporting apostolic partnerships

Significant time and effort were devoted to the preparation of a bid for Strategic Development Funding from the Church Commissioners, made available as part of the Archbishops' Council Renewal and Reform body of work. This was rewarded early in 2017 with the award of the full £825,000 sought. This will enable apostolic partnerships aimed at revitalising and growing four churches to begin in 2017 and fund two new diocesan posts to increase strategic capacity. It marks a new strategic emphasis on church growth and renewal in existing communities and in areas of new housing development.

Enabling church schools to reach out

2016 saw the laying of foundations to enable church schools to reach out to families in their communities, rolling out the new Church of England Vision for Education by encouraging our parishes to work closely with their schools, and by inviting schools to have more open admissions policies in order better to serve the common good.

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 Mercy Lent course and new modules in the Engaging Christianity programme developed collaboratively with the University of Chichester. Courses for

both new and experienced spiritual directors have been run together with short courses in spiritual direction specifically for the clergy.

Youth and Children

Those working with children and young people in the parishes have been offered training opportunities and ongoing support. The Diocesan Youth Officer has focussed on further developing our May Camp, in terms of numbers of young people and parishes attending and also in provision of opportunities for leadership and faith development. Over 400 young people attended May Camp in 2016, an increase of over 25% on 2015.

Communications

Parishes have been offered support as they seek to engage with the diocesan strategy and structural change. A series of videos was commissioned to support the strategy and other developments, including three pastoral care videos, a video to support the diocesan Lent course, and videos for the Bishop's Christmas and New Year messages. Another important communications development has been a weekly page in local newspapers with copy co-ordinated by one of our curates in training.

Parish development and stewardship

In response to the high level of need from deaneries, parishes and individual clergy, the Parish Development Officer became a full-time post. The main priority on stewardship for 2016 was to 'reboot' the Parish Giving Scheme, following consultation on why churches did not opt in. This has resulted in several new churches joining, making Chichester the leading diocese in England by number of churches registered.

Education

The Education Department has supported parish involvement in education by running several courses specifically designed to support parishes in their relationships with schools such as "Help, there's a school in my Parish". Deanery briefings have also been held across the Diocese to give information about the department and the wider national context to all those involved with schools. These briefings were attended by 178 people including head teachers, chairs of governors and clergy.

Safeguarding

Foundation safeguarding training has been provided to approximately 1,000 individuals, clergy and laity, across the Diocese, primarily through the ministry of the volunteer safeguarding team. Specialist training has also been provided to Parish Safeguarding Officers on adult safeguarding and domestic abuse and the safeguarding team has provided specific advice on many aspects of safeguarding practice as they arise in parishes. In addition, the team has been preparing a tool called Simple Quality Protects for launch in 2017, to enable parishes to achieve consistently high standards of safeguarding practice.

Fundraising

A new initiative has begun to enhance the sustainability of churches in Hove Deanery by lending funds to support growth with a locally administered revolving trust scheme using start-up capital from the sale of a closed church.

Property

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

DAC

The Diocesan Advisory Committee for the Care of Churches has continued to fulfil its statutory role in the faculty jurisdiction system and has provided advice and guidance to parishes on issues relating to the care of church buildings. Formal advice was issued for over 140 projects and informal advice for nearly 50 projects in addition to day to day advice and guidance.

Finance

The Finance Department provides support to parishes through its training seminars, manuals and by providing ad hoc advice throughout the year. Topics covered include accounting regulations for PCCs, essentials of charity law, how to employ and pay staff, and Gift Aid. During 2016 the Finance Department ran 15 training seminars across the Diocese. These were attended by 719 people in total. The department also shared its manuals and accounting templates on the diocesan website and responded to questions from parish treasurers on an almost daily basis. In addition the Diocese acts as custodian trustee for many trust funds; the Finance Department manages investments on behalf of almost 500 parish and chancel trusts and 65 school trusts.

Governance

The Governance team manages elections and advises parishes on matters of governance, record-keeping and the like. A significant development during the year was the migration to a new database to improve the quality of diocesan data and ease of access.

Supporting schools

The programme of continuing professional development and schools based review for the 158 church schools in the Diocese continued in 2016 funded through contributions from schools via a service level agreement to supplement diocesan funding. The CPD programme is aimed at school staff, governors and clergy. 599 people took part in the training provided by the Education Department this year, with 72 people attending the launch for Understanding Christianity, a new resource for teaching Christianity within

schools. The head teachers' conference was well received and had 67 people attending. RE and Worship training remained popular.

Sessions that have been run on academisation have been well attended and illustrate the growing need for the Education Department to work alongside our schools to guide them through the ever changing national educational landscape. The Diocese of Chichester Multi Academy Trust (DCAT), has now appointed a full time CEO and has grown from one Executive Principal to a team of 3. The trust has now grown to manage 5 schools, 4 primary and 1 secondary. The majority of these schools are in East Sussex with one in West Sussex.

80% of our schools are deemed to be good or outstanding as judged by Ofsted criteria. There were 30 Ofsted inspections across the Diocese in 2016. 73% of these were judged to have maintained their good grading or have improved. 84% of schools are currently graded as Good or Outstanding for their Christian Distinctiveness through SIAMS inspection. 21 schools of the 66 schools inspected in 2016 achieved outstanding, 34 good and 11 required improvement.

Facilitating of capital expenditure on schools

The Education Department facilitates capital expenditure and maintenance for 54 Voluntary Aided Schools and 8 academies. It works with the schools to access public capital funding. Capital funding through LCVAP grants to voluntary aided schools across the Diocese amounted to £2.5 million in 2016. These projects have included the extension of external play areas, the expansion of schools to accommodate additional forms of entry and adjustments to buildings following Age of Transfer reorganisation.

Safeguarding casework

Work has continued in this sensitive and important area. The safeguarding team has worked with the statutory authorities and has also provided extensive support both to victims of abuse and to parishes.

The environment

The CDBF has made a commitment to developing our care for the environment by signing up to the A Rocha UK Eco Diocese project. This builds on existing commitments through our environmental policy and is increasing the number of Eco Churches within the Diocese. This also provides a framework for other projects and initiatives targeting our use of resources, such as where energy assessments are being made available to parishes. This work has been recognised by other dioceses and is now being shared with Canterbury and Leeds.

Supporting the wider church and specific ministries

Support for parish projects within diocese

The Diocesan Mission Fund deploys the Mission Development Funding grant from the Archbishops' Council and part of the grant from the Allchurches Trust 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 given over £250k towards projects including parish nursing, youth work and an associate vicar post. All projects are linked closely to the Diocesan Strategy.

Grants are paid 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, and to other charitable projects which appear to the CDBF to support the furtherance of its objects (see 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).

Through the work of the Diocesan Director of Education, the Diocese has made a significant contribution to the restatement of the Church of England's Vision for Education which aims to be "Deeply Christian; Serving the Common Good". The Diocese is also part of a pilot region for the new National Foundation for Education.

Support for the wider church internationally

During 2016 the Diocese has been developing a more collaborative approach through the Diocesan Overseas Committee whereby a team of volunteers, drawn from the Committee's membership, is connecting parish and school units with equivalents in our Companion Link dioceses as well as offering a World Church experience to those in the early years of ministry. The Diocese has also funded mission work and responded to emergencies in Companion Link dioceses. This funding is a by-product of the Committee's goal of establishing long term relationships, built on friendship, prayer, visits and the exchange of experiences and expertise, that are mutually enriching.

Support for particular ministries

The Diocese has started developing bespoke local responses to the challenges faced by smaller communities in rural areas, gathering rural clergy and community leaders together at a conference and following on by the formation of a learning community to look at potential solutions. In addition to funding a rural officer, the CDBF has joined with the Diocese of Canterbury to create a Rural Business Chaplaincy. The work of the Brighton University Chaplain and the Chaplain to Gatwick Airport has continued.

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.

A new Asset and Glebe Officer appointed in June 2016 has focussed on improving rental income from glebe land and on improving the record keeping. Option agreements have been signed for the sale of two glebes, and negotiations progressed on others. The Property Department also continues to focus on letting empty houses where it can, generating rental income of c.£375,000 for parsonage houses and c.£317,000 for glebe houses and land. Significant progress was made during the year on finding a new use for two grade II* closed churches, All Souls Hastings and St Mary Magdalene West Lavington.

FUTURE PLANS

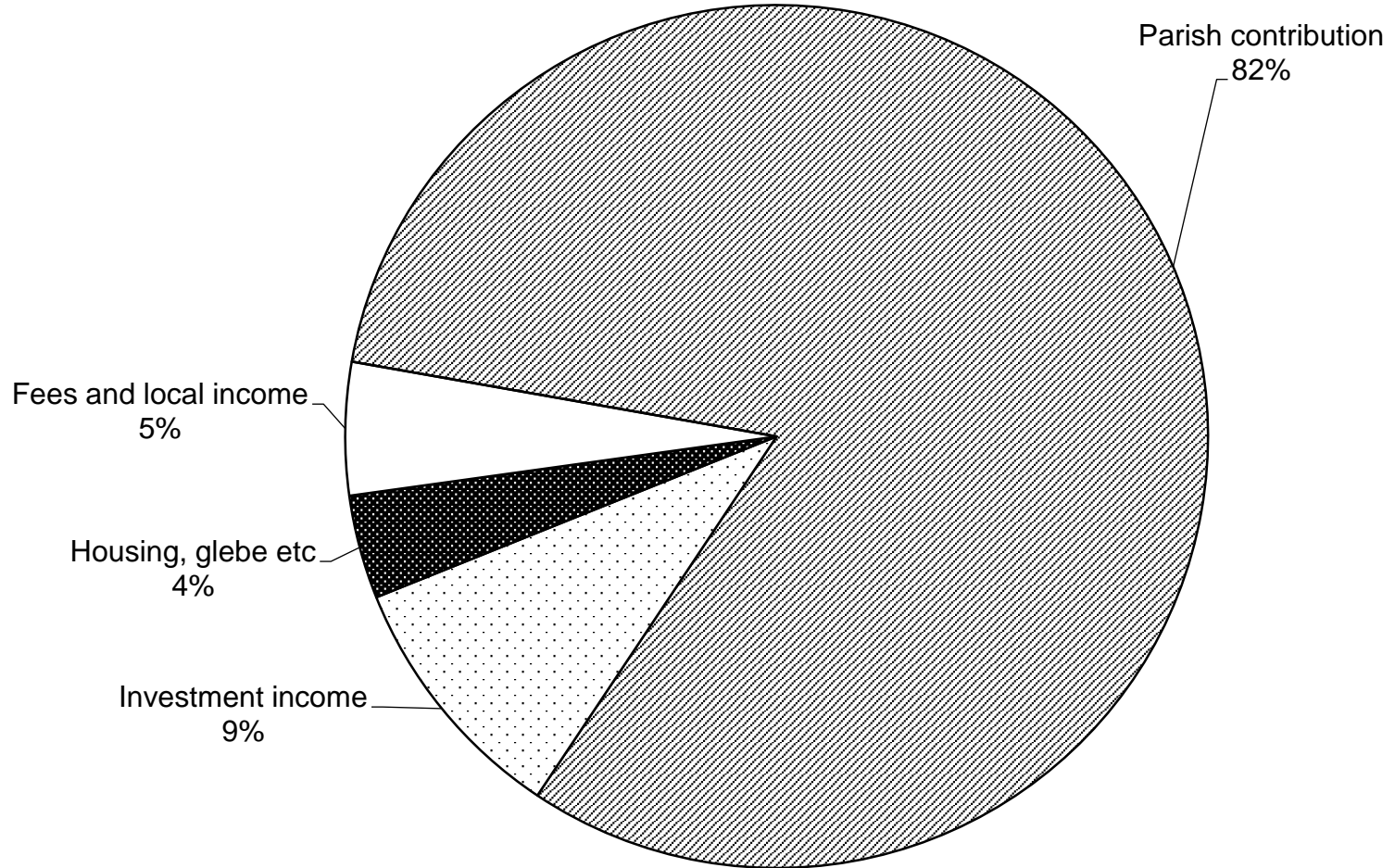
The strategic aims established by Diocesan Synod in May 2015 detailed on page v will continue to direct the activities of the CDBF for the next two years.

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

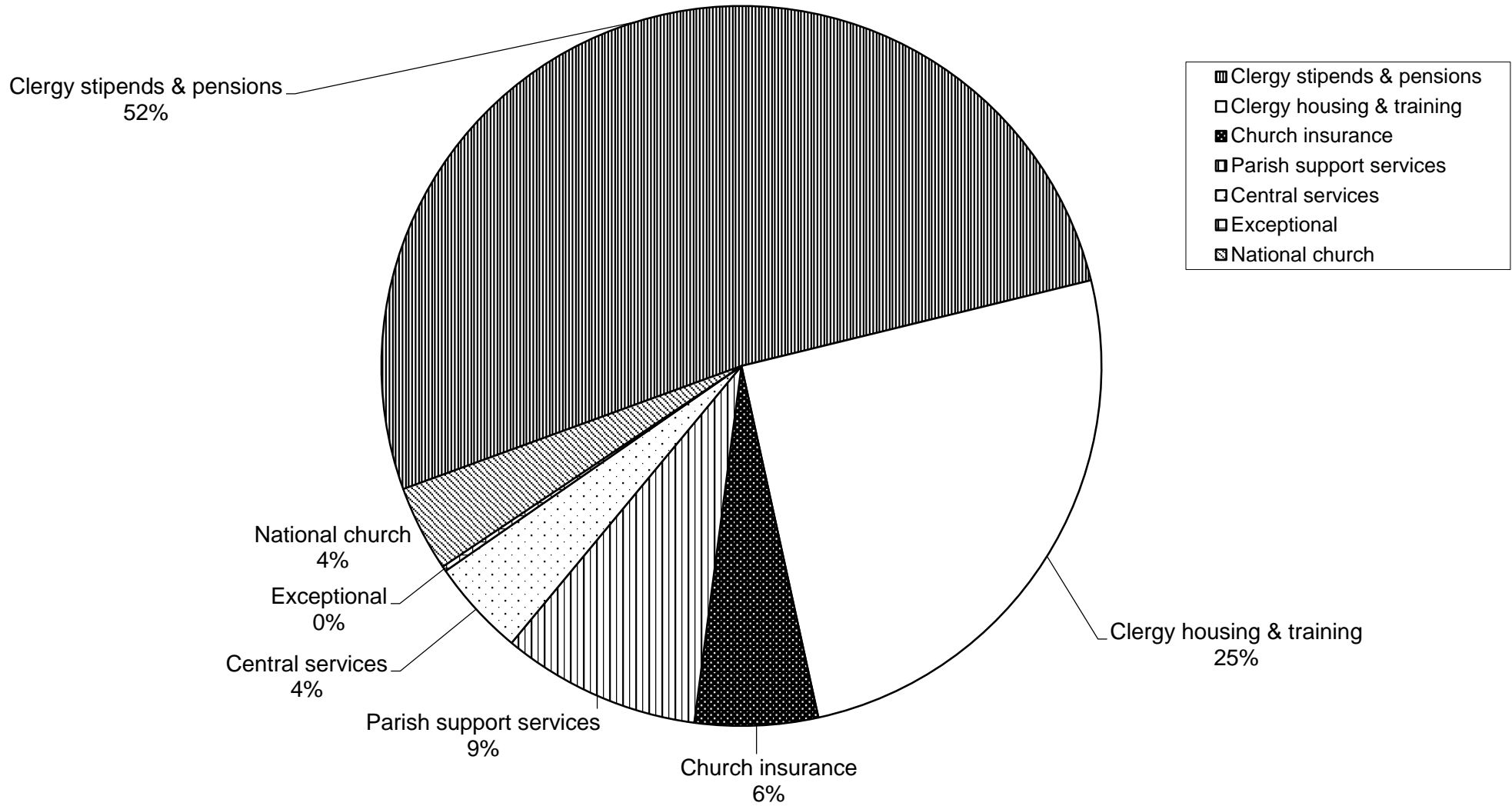
We intend to use strategic funding from the Church Commissioners to enable mission and growth by establishing a presence in new communities and, where possible, to bid for new free schools as part of building community infrastructure. We shall also invest in deepening and forming new apostolic partnerships in existing communities.

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.

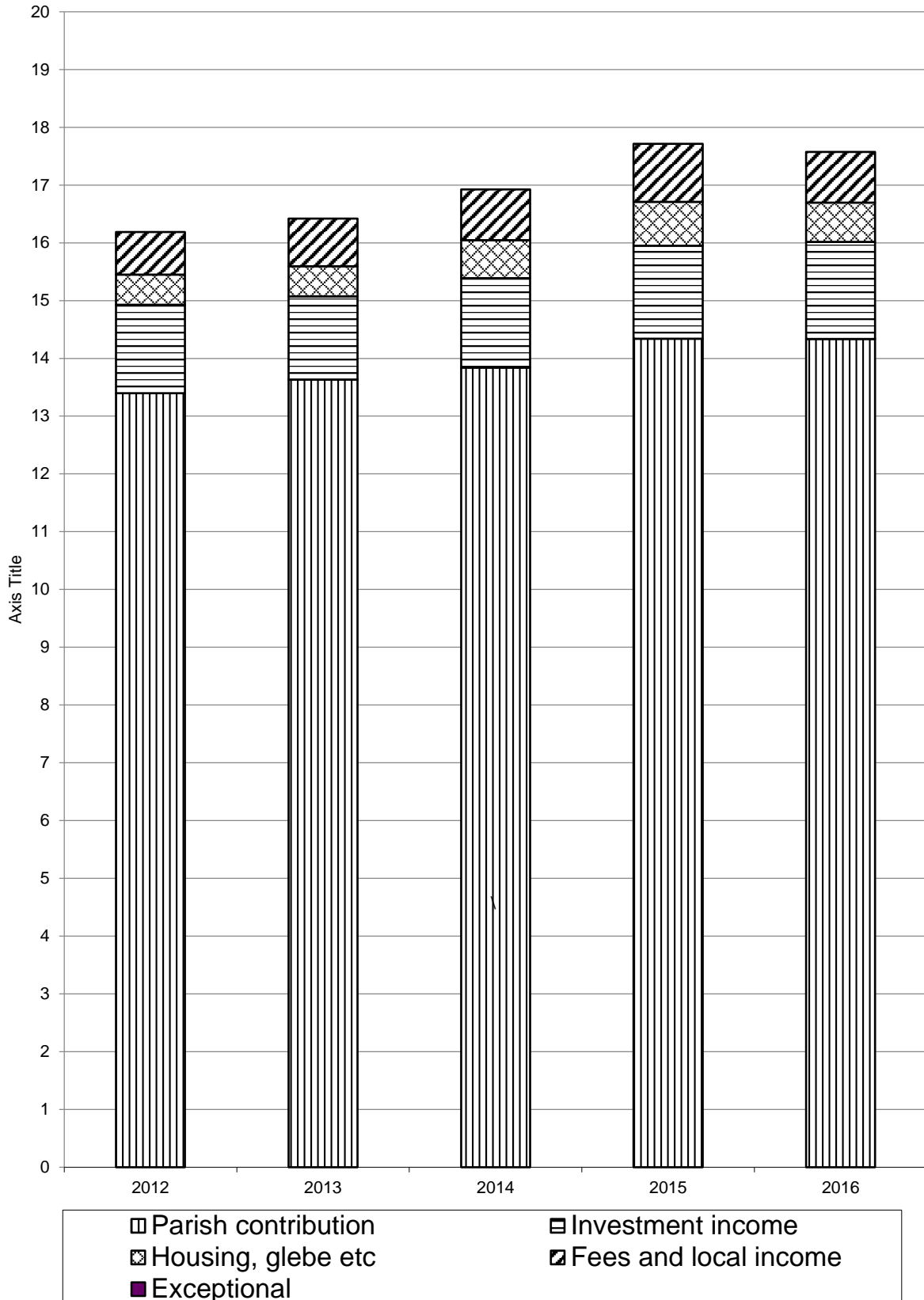
INCOME 2016



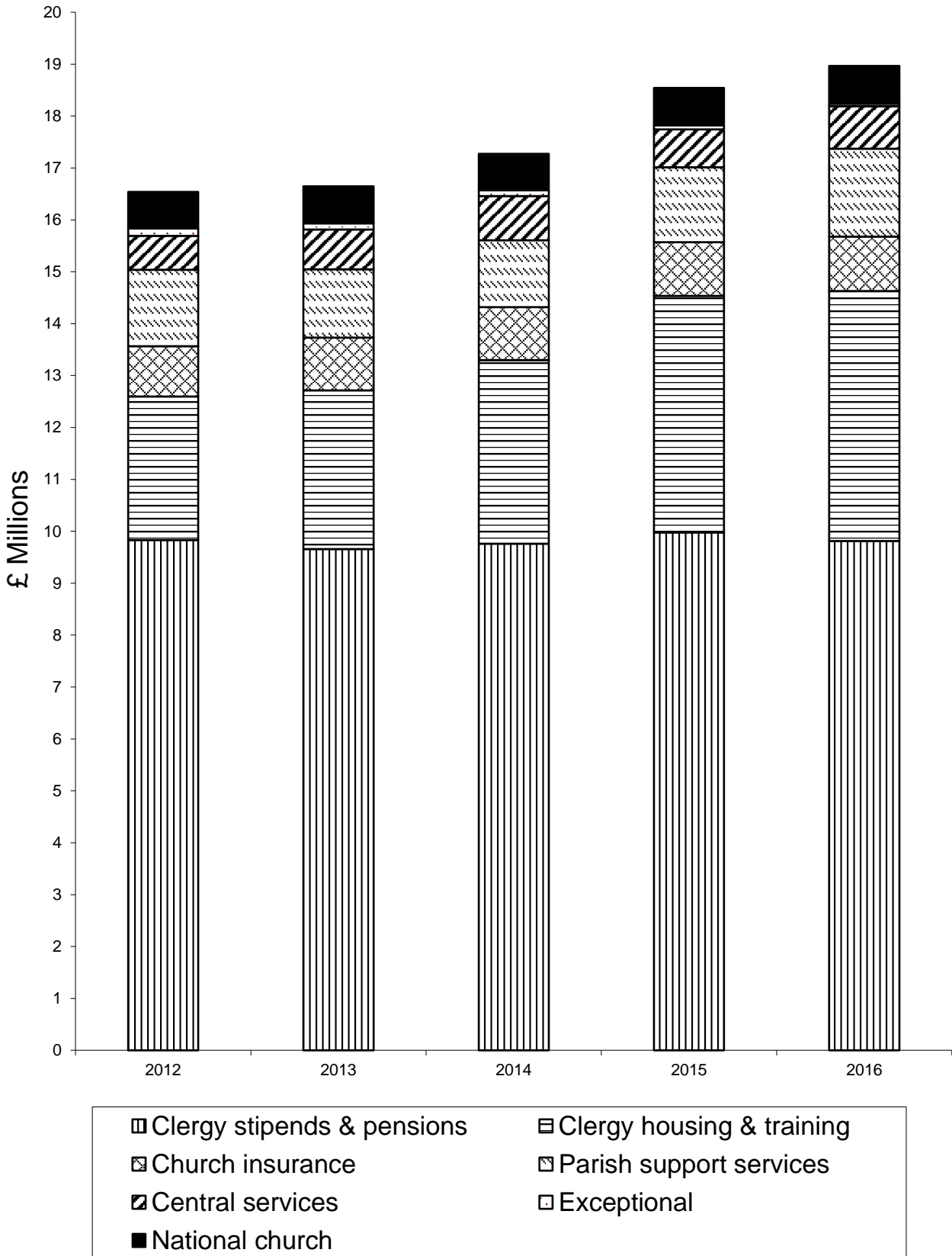
EXPENDITURE 2016



Income Trend 2012 - 2016



Expenditure Trend 2012 - 2016



UNRESTRICTED FUNDS - GENERAL FUND
SUMMARY OF INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

| <u>ACTUAL</u> <u>2015</u> | | <u>ACTUAL</u> <u>2016</u> | <u>BUDGET</u> <u>2016</u> |
|--|--|--|--|
| | | <u>£</u> | <u>£</u> |
| <u>INCOME</u> | | | |
| 14,338,010 | Parish contribution | 14,334,196 | 14,572,988 |
| 1,394,634 | Dividends & interest | 1,459,272 | 1,428,300 |
| 216,565 | Grants from designated funds | 221,225 | 212,600 |
| 336,160 | Glebe | 304,661 | 304,400 |
| 421,910 | Housing | 378,349 | 410,000 |
| 812,857 | Fees & local income | 730,331 | 687,788 |
| 191,522 | Miscellaneous grants and donations | 143,231 | 178,508 |
| 17,711,658 | TOTAL INCOME | 17,571,265 | 17,794,584 |
| <u>EXPENDITURE</u> | | | |
| <u>The Ministry</u> | | | |
| 7,557,039 | Clergy stipends, grants and fees | 7,518,864 | 7,817,558 |
| 2,422,380 | Clergy pension contributions | 2,304,231 | 2,397,051 |
| 3,196,189 | Clergy and layworkers housing | 3,369,369 | 3,165,776 |
| 89,784 | Clergy widows & retired clergy housing | 97,118 | 65,300 |
| 1,271,525 | Training - ordination & other | 1,350,923 | 1,432,725 |
| 14,536,917 | | 14,640,505 | 14,878,410 |
| <u>Direct support for parishes</u> | | | |
| 1,033,042 | Church insurance premium | 1,048,113 | 1,094,446 |
| 1,033,042 | | 1,048,113 | 1,094,446 |
| <u>Parish support services</u> | | | |
| 381,211 | Apostolic Life | 366,430 | 393,717 |
| 165,979 | Common Good | 220,842 | 206,024 |
| 313,389 | Diocesan Board of Education | 418,189 | 617,747 |
| 204,575 | Safeguarding - Children protection | 207,914 | 219,133 |
| 62,877 | Diocesan Advisory Committee (DAC) | 51,565 | 52,699 |
| 33,332 | Pastoral Committee | 34,842 | 42,979 |
| (15,646) | Closed churches | 67,542 | 90,000 |
| 37,057 | Glebe administration | 55,751 | 36,000 |
| 87,583 | Investment managers fees | 84,564 | 95,000 |
| 81,810 | Communications | 98,768 | 92,009 |
| 178,701 | Information technology (IT) | 171,857 | 204,254 |
| 643,902 | General office, Finance, Governance and Administration | 726,165 | 675,873 |
| 2,174,770 | | 2,504,429 | 2,725,435 |
| 79,322 | Exceptional items | 43,727 | 33,600 |
| 718,351 | National Church responsibilities | 731,995 | 732,093 |
| 18,542,402 | TOTAL EXPENDITURE | 18,968,769 | 19,463,984 |
| (830,744) | (DEFICIT) FOR THE YEAR BEFORE TRANSFERS | (1,397,504) | (1,669,400) |
| <u>TRANSFER FROM PASTORAL FUND</u> | | | |
| 700,000 | Clergy housing | 1,447,000 | 1,447,000 |
| - | Education | - | 222,400 |
| (130,744) | SURPLUS/(DEFICIT) FOR THE YEAR | 49,496 | - |

INCOME

| <u>ACTUAL</u> <u>2015</u> £ | | <u>ACTUAL</u> <u>2016</u> £ | <u>BUDGET</u> <u>2016</u> £ |
|---|---|-----------------------------------|-----------------------------------|
| <u>PARISH CONTRIBUTION</u> | | | |
| 14,135,537 | Current year | 14,277,013 | 14,572,988 |
| 7,165 | Current year - Appeal | - | - |
| 195,308 | Previous years | 57,183 | - |
| <u>14,338,010</u> | | <u>14,334,196</u> | <u>14,572,988</u> |
| <u>DIVIDENDS & INTEREST</u> | | | |
| 681,670 | Diocesan stipends fund | 682,762 | 680,500 |
| 663,044 | Diocesan pastoral account | 737,984 | 727,800 |
| 49,920 | Cash on deposit | 38,526 | 20,000 |
| <u>1,394,634</u> | | <u>1,459,272</u> | <u>1,428,300</u> |
| <u>GRANTS FROM DESIGNATED FUNDS</u> | | | |
| 93,316 | Diocesan welfare trust - grants for family support and retired clergy | 97,119 | 89,400 |
| 69,227 | Elfinward Fund for: | | |
| 12,268 | Training - ordination & other | 69,788 | 69,204 |
| 6,134 | retreats & conferences | 12,298 | 12,264 |
| 35,620 | information | 6,149 | 6,132 |
| <u>216,565</u> | Training fund | <u>35,871</u> | <u>35,600</u> |
| | | <u>221,225</u> | <u>212,600</u> |
| <u>GLEBE INCOME (Gross)</u> | | | |
| 22,680 | Rents from land in diocese | 15,537 | 24,000 |
| 269,080 | Rents from properties in diocese | 244,724 | 236,000 |
| 44,400 | Rents for diocesan officers' houses | 44,400 | 44,400 |
| <u>336,160</u> | | <u>304,661</u> | <u>304,400</u> |
| <u>HOUSING INCOME</u> | | | |
| 27,600 | Other income for diocesan officers' hses | 27,600 | 36,000 |
| 330,773 | Rents from parsonage houses | 307,813 | 298,000 |
| 36,004 | Rents from retired clergy houses | 16,536 | 51,000 |
| 27,533 | Rents from miscellaneous houses | 26,400 | 25,000 |
| <u>421,910</u> | | <u>378,349</u> | <u>410,000</u> |
| <u>FEES & INCOME RECEIVED BY INCUMBENTS & OTHERS</u> | | | |
| 673,117 | Parochial fees assigned | 641,275 | 585,000 |
| 139,740 | Parish trust income | 89,056 | 102,788 |
| <u>812,857</u> | | <u>730,331</u> | <u>687,788</u> |

INCOME Continued / EXPENDITURE

| <u>ACTUAL</u> <u>2015</u> £ | | <u>ACTUAL</u> <u>2016</u> £ | <u>BUDGET</u> <u>2016</u> £ |
|---|---|---|---|
| | <u>MISCELLANEOUS GRANTS & DONATIONS</u> | | |
| 129,000 | Allchurches Trust | 131,000 | 131,000 |
| 46,259 | Rents from redundant churches | 1,151 | 32,008 |
| 2,452 | Ordination & institution collections & donations | 1,093 | 5,500 |
| 13,811 | Donations | 9,987 | 10,000 |
| <u>191,522</u> | | <u>143,231</u> | <u>178,508</u> |
| <u>17,711,658</u> | TOTAL INCOME | <u>17,571,265</u> | <u>17,794,584</u> |
| | <u>EXPENDITURE</u> | | |
| | <u>CLERGY STIPENDS & GRANTS & FEES</u> | | |
| | Stipends | | |
| 6,575,847 | Total chargeable to diocese | 6,396,660 | 6,748,100 |
| 519,125 | National Insurance | 514,814 | 539,900 |
| | Grants | | |
| 20,100 | Suffragan bishops' housing & council tax | 20,100 | 19,900 |
| 28,463 | Clergy administration | 45,705 | 36,544 |
| 67,034 | Archdeacons' operating expenses | 80,291 | 72,914 |
| 35,600 | Archdeacons' housing & council tax | 35,600 | 32,800 |
| 4,892 | Bishop's chaplain's housing & council tax | 13,846 | 15,900 |
| 53,343 | First appointments | 58,581 | 70,000 |
| 72,700 | Removal | 120,595 | 90,000 |
| 81,828 | Resettlement | 116,118 | 100,000 |
| | Fees | | |
| 98,107 | For services & exps for vacancies/sickness | 116,554 | 91,500 |
| <u>7,557,039</u> | Total - Clergy stipends, grants and fees | <u>7,518,864</u> | <u>7,817,558</u> |
| <u>2,422,380</u> | <u>CLERGY PENSION CONTRIBUTIONS</u> | <u>2,304,231</u> | <u>2,397,051</u> |

EXPENDITURE Continued

| <u>ACTUAL</u> <u>2015</u> £ | | <u>ACTUAL</u> <u>2016</u> £ | <u>BUDGET</u> <u>2016</u> £ |
|---|---|-----------------------------------|-----------------------------------|
| <u>CLERGY HOUSING</u> | | | |
| Property | | | |
| 823,140 | Quinquennial repairs | 698,985 | 941,506 |
| 421,909 | Ingoing works | 939,166 | 420,000 |
| 860,827 | Interim repairs | 615,603 | 677,720 |
| 479,433 | Improvements & decoration grants | 461,889 | 423,504 |
| 54,290 | Insurance | 58,737 | 61,000 |
| 107,955 | Fees | 166,045 | 162,000 |
| 13,000 | Housing rental costs | 7,488 | 24,000 |
| 43,106 | Water rates and council tax | 66,944 | 79,625 |
| <u>2,803,660</u> | | <u>3,014,857</u> | <u>2,789,355</u> |
| Parsonages department | | | |
| 293,029 | Staff costs | 315,371 | 327,200 |
| 23,284 | Office expenses | 16,761 | 17,471 |
| 10,605 | Travel expenses | 9,881 | 10,500 |
| 65,611 | Miscellaneous expenses | 12,499 | 21,250 |
| <u>392,529</u> | | <u>354,512</u> | <u>376,421</u> |
| <u>3,196,189</u> | Total - Clergy and layworkers housing | <u>3,369,369</u> | <u>3,165,776</u> |
| <u>CLERGY, THEIR FAMILIES, WIDOWS & RETIRED CLERGY HOUSING</u> | | | |
| 25,670 | Housing costs | 17,014 | 9,300 |
| - | Grants for mortgages | - | 1,000 |
| - | Supplementary grants | - | 2,000 |
| 62,242 | Family support incl convalescent grants | 78,157 | 50,000 |
| 1,872 | Terry's Cross building insurance | 1,947 | 3,000 |
| <u>89,784</u> | Total - Clergy widows and retired clergy housing | <u>97,118</u> | <u>65,300</u> |

EXPENDITURE Continued

| <u>ACTUAL</u> <u>2015</u> £ | | <u>ACTUAL</u> <u>2016</u> £ | <u>BUDGET</u> <u>2016</u> £ |
|---|--|-----------------------------------|-----------------------------------|
| <u>TRAINING - ORDINATION AND OTHER</u> | | | |
| 120,463 | Staff costs | 153,550 | 167,997 |
| 6,145 | Office expenses | 9,750 | 11,145 |
| 6,433 | Housing costs | 3,000 | 11,000 |
| 4,160 | Travel expenses | 6,152 | 3,250 |
| - | Resources and Equipment | 851 | 750 |
| 319 | Projects & conferences | 25,000 | 25,000 |
| 470 | Vocation & lay ministers adviser's exps | 120 | 3,000 |
| 2,359 | BAP conference fees & Travel expenses | 1,436 | 3,000 |
| 4,902 | NSM Deacon training | - | - |
| 26,321 | Ordination candidates - single | 12,355 | 18,700 |
| 221,108 | Ordination candidates - family | 215,873 | 236,800 |
| - | Development of Vocations work | 2,853 | 10,250 |
| 20,725 | Post ordination training | 12,452 | 18,000 |
| 15,708 | Continuing education for clergy | 22,602 | 31,700 |
| 4,777 | Grants for conferences and retreats | 4,971 | 4,000 |
| 192,631 | Curate Housing costs | 301,825 | 310,000 |
| <u>626,521</u> | | <u>772,790</u> | <u>854,592</u> |
| 645,004 | National church apportionment | 578,133 | 578,133 |
| <u>1,271,525</u> | Total - Training - ordination and other | <u>1,350,923</u> | <u>1,432,725</u> |
| | | | |
| 1,033,042 | <u>CHURCH INSURANCE PREMIUM</u> | 1,048,113 | 1,094,446 |
| | | | |
| <u>APOSTOLIC LIFE</u> | | | |
| Directorate | | | |
| 49,024 | Staff costs | 40,313 | 42,150 |
| 4,072 | Office costs | 2,062 | 3,569 |
| 5,539 | Travel expenses | 2,296 | 3,000 |
| 0 | Resources & equipment | 64 | 1,150 |
| 7,116 | Projects & conferences | (24) | 5,950 |
| 17,128 | Diocesan Strategy Rollout | 9,593 | 0 |
| <u>82,879</u> | | <u>54,304</u> | <u>55,819</u> |
| | | | |
| Christian Resources and Stewardship | | | |
| 34,810 | Staff costs | 80,940 | 87,080 |
| 4,143 | Office expenses | 4,505 | 6,746 |
| 8,497 | Travel expenses | 5,929 | 3,100 |
| 359 | Resources & equipment | 378 | 2,250 |
| 17,866 | Projects & conferences | 22,559 | 27,000 |
| <u>65,675</u> | | <u>114,311</u> | <u>126,176</u> |
| | | | |
| Children and Young people | | | |
| 99,924 | Staff costs | 91,589 | 91,500 |
| 7,137 | Office expenses | 3,789 | 4,688 |
| 20,295 | Grant to St Bartz Trust (children work) | 22,140 | 23,000 |
| 2,138 | Travel expenses | 2,873 | 3,000 |
| 1,954 | Resources & equipment | 875 | 700 |
| 13,294 | Projects & conferences | 19,066 | 12,400 |
| <u>144,742</u> | | <u>140,332</u> | <u>135,288</u> |

EXPENDITURE Continued

| <u>ACTUAL</u> <u>2015</u> £ | | <u>ACTUAL</u> <u>2016</u> £ | <u>BUDGET</u> <u>2016</u> £ |
|-----------------------------------|---|-----------------------------------|-----------------------------------|
| | Ministry & adult christian education | | |
| 77,262 | Staff costs | 45,726 | 59,725 |
| 8,729 | Office expenses | 2,175 | 2,809 |
| 62 | Travel expenses & home office expenses | 1,493 | 2,000 |
| - | Resources & equipment | 240 | 400 |
| 530 | Projects & conferences | (288) | 500 |
| 1,332 | Diocesan Readers' Board | 8,137 | 11,000 |
| <u>87,915</u> | | <u>57,483</u> | <u>76,434</u> |
| <u>381,211</u> | Total - Apostolic life | <u>366,430</u> | <u>393,717</u> |
| | <u>COMMON GOOD</u> | | |
| | Social Concerns | | |
| 5,486 | Staff costs | 24,681 | 26,415 |
| 593 | Office costs | 178 | 710 |
| 232 | Travel expenses | 703 | 1,500 |
| 75 | Resources & equipment | 95 | 400 |
| 20,800 | Projects & conferences | 30,479 | 4,100 |
| <u>27,186</u> | | <u>56,136</u> | <u>33,125</u> |
| | Workplace ministry | | |
| 41,090 | Staff costs | 54,882 | 55,670 |
| 7,100 | Housing costs | 7,100 | 6,600 |
| 3,977 | Travel expenses & home office expenses | 3,260 | 3,400 |
| - | Resources & equipment | 45 | 350 |
| (1,230) | Projects & conferences | - | - |
| <u>50,937</u> | | <u>65,287</u> | <u>66,020</u> |
| | Grants to other councils & organisations | | |
| | Diocesan | | |
| (5,635) | Ecumenical group incl Churches Together | - | - |
| 21,943 | Overseas Council | 23,730 | 30,115 |
| 1,901 | European Ecumenical cttee + conferences | 3,988 | 4,580 |
| 33,647 | University chaplain's stipend & housing | 35,702 | 36,184 |
| | Other organisations | | |
| 36,000 | Diocesan Assn for Family Support Work | 36,000 | 36,000 |
| <u>87,856</u> | | <u>99,420</u> | <u>106,879</u> |
| <u>165,979</u> | Total - Common Good | <u>220,842</u> | <u>206,024</u> |

EXPENDITURE Continued

| <u>ACTUAL</u> <u>2015</u> £ | | <u>ACTUAL</u> <u>2016</u> £ | <u>BUDGET</u> <u>2016</u> £ |
|--|----------------------------------|--|--|
| <u>DIOCESAN BOARD OF EDUCATION</u> | | | |
| 347,106 | Staff costs | 378,963 | 509,800 |
| 80,183 | Consultant Costs | 124,183 | 113,400 |
| 25,942 | Office expenses | 26,533 | 29,747 |
| 16,858 | Travel expenses | 20,169 | 15,000 |
| 13,093 | Resources & equipment | 26,631 | 41,300 |
| 5,738 | Projects & conferences | 82,414 | 71,500 |
| - | Miscellaneous expenses | 8,898 | 34,000 |
| (42,000) | Less: Grant - Aided Schools fund | (42,000) | (42,000) |
| <u>(133,531)</u> | Less: sales of services | <u>(207,602)</u> | <u>(155,000)</u> |
| <u>313,389</u> | | <u>418,189</u> | <u>617,747</u> |
| <u>SAFEGUARDING</u> | | | |
| 158,152 | Staff costs | 155,503 | 178,667 |
| 10,386 | Office expenses | 9,369 | 9,266 |
| 5,028 | Travel expenses | 4,472 | 5,000 |
| 1,546 | Resources & equipment | 4,910 | 2,200 |
| 11,758 | Projects & conferences | 10,528 | 8,000 |
| <u>17,705</u> | Miscellaneous expenses | <u>23,132</u> | <u>16,000</u> |
| <u>204,575</u> | | <u>207,914</u> | <u>219,133</u> |
| <u>DIOCESAN ADVISORY COMMITTEE (DAC)</u> | | | |
| 48,853 | Staff costs | 37,790 | 35,850 |
| 4,329 | Office expenses | 5,195 | 4,889 |
| 6,531 | Travel expenses | 4,345 | 7,000 |
| 665 | Resources & equipment | 1,287 | 1,350 |
| 985 | Projects & conferences | 1,322 | 2,010 |
| <u>1,514</u> | Miscellaneous expenses | <u>1,626</u> | <u>1,600</u> |
| <u>62,877</u> | | <u>51,565</u> | <u>52,699</u> |
| <u>PASTORAL COMMITTEE</u> | | | |
| 30,198 | Staff costs | 32,266 | 36,850 |
| 2,207 | Office expenses | 1,941 | 2,489 |
| 387 | Travel expenses | 629 | 1,500 |
| - | Projects & conferences | - | 500 |
| <u>540</u> | Miscellaneous expenses | <u>6</u> | <u>1,640</u> |
| <u>33,332</u> | | <u>34,842</u> | <u>42,979</u> |
| <u>(15,646)</u> | | <u>67,542</u> | <u>90,000</u> |
| <u>CLOSED CHURCHES</u> | | | |
| <u>GLEBE ADMINISTRATION</u> | | | |
| 5,798 | Repairs & improvements | 15,675 | 14,000 |
| 1,634 | Agents' fees | 360 | 6,000 |
| 236 | Rent collection expenses | 748 | 6,000 |
| 684 | Legal fees | 10,008 | 10,000 |
| <u>28,705</u> | Planning costs | <u>28,960</u> | <u>-</u> |
| <u>37,057</u> | | <u>55,751</u> | <u>36,000</u> |

EXPENDITURE Continued

| <u>ACTUAL</u> <u>2015</u> £ | | <u>ACTUAL</u> <u>2016</u> £ | <u>BUDGET</u> <u>2016</u> £ |
|-----------------------------------|---|-----------------------------------|-----------------------------------|
| <u>87,583</u> | <u>INVESTMENT MANAGERS FEES</u> | <u>84,564</u> | <u>95,000</u> |
| | <u>COMMUNICATIONS</u> | | |
| 38,175 | Staff costs | 38,303 | 38,830 |
| 25,685 | Consultant costs | 26,943 | 23,400 |
| 2,424 | Office expenses | 1,917 | 2,619 |
| 773 | Travel expenses | 107 | 1,000 |
| 2,062 | Resources & equipment | 8,485 | 14,960 |
| 24,712 | Diocesan leaflet & magazine - costs | 18,840 | 19,800 |
| (12,033) | Diocesan leaflet & magazine - income | (168) | (10,000) |
| 12 | Directories & sundry | 4,153 | 1,400 |
| - | Projects and Conferences | 188 | - |
| <u>81,810</u> | | <u>98,768</u> | <u>92,009</u> |
| | <u>INFORMATION TECHNOLOGY (IT)</u> | | |
| - | Staff costs | 29,457 | 70,350 |
| - | Office expenses | 3,559 | 1,020 |
| 176,921 | Resources & equipment | 124,640 | 116,184 |
| 1,780 | Website development | 14,201 | 16,700 |
| <u>178,701</u> | | <u>171,857</u> | <u>204,254</u> |
| | <u>GENERAL OFFICE: FINANCE, GOVERNANCE AND ADMINISTRATION</u> | | |
| | (Including costs of the Diocesan Synod, Bishop's Council, Board of Finance, Schools finance & other sub committees) | | |
| 441,183 | Staff costs | 514,785 | 447,150 |
| 229 | Staff training | 4,177 | 8,650 |
| (1,158) | Postage and telephone | 5,426 | 2,860 |
| (7,797) | Printing and stationery | (4,151) | (15,530) |
| 44,468 | Other office expenses | 31,630 | 22,360 |
| 10,050 | Office equipment depreciation | 8,544 | 22,000 |
| 44,195 | Hire of equipment | 49,473 | 28,847 |
| 3,457 | Equipment maintenance | 2,101 | 5,000 |
| 18,300 | Building light, heat, repairs, cleaning | 22,185 | 18,986 |
| 2,384 | Staff travel expenses | 2,285 | 2,250 |
| 925 | Committee members expenses | 213 | 500 |
| 4,900 | Diocesan synod /Bishop's Council | 5,418 | 9,000 |
| 1,304 | Election | - | - |
| 21,055 | External audit | 22,110 | 19,500 |
| 4,620 | Internal audit | 2,160 | 12,000 |
| 7,455 | Bank charges | 6,310 | 6,200 |
| 1,843 | Legal fees - general | 1,320 | 32,000 |
| 46,489 | Legal - Chancellor, Registrar & solicitor | 52,179 | 54,100 |
| <u>643,902</u> | | <u>726,165</u> | <u>675,873</u> |
| | <u>EXCEPTIONAL ITEMS</u> | | |
| 38,530 | Land registry project | 6,031 | - |
| 40,792 | Magnet centre | 37,696 | 33,600 |
| <u>79,322</u> | | <u>43,727</u> | <u>33,600</u> |

EXPENDITURE Continued

| <u>ACTUAL</u> <u>2015</u> £ | | <u>ACTUAL</u> <u>2016</u> £ | <u>BUDGET</u> <u>2016</u> £ |
|-----------------------------------|--|-----------------------------------|-----------------------------------|
| | <u>NATIONAL CHURCH RESPONSIBILITIES</u> | | |
| 486,945 | National Church & General Synod cost | 497,278 | 494,548 |
| 33,703 | Mission agencies & CPAS pensions | 34,228 | 34,228 |
| 181,564 | Retired clergy housing scheme | 189,817 | 189,817 |
| 16,139 | General Synod members' travel expenses | 10,672 | 13,500 |
| <u>718,351</u> | | <u>731,995</u> | <u>732,093</u> |
| <u>18,542,402</u> | TOTAL EXPENDITURE | <u>18,968,769</u> | <u>19,463,984</u> |

UNRESTRICTED FUND - BALANCE SHEET
AS AT 31 DECEMBER 2016

| <u>2015</u> | | | <u>2016</u> |
|--------------------|---|------------------|--------------------|
| £ | | £ | £ |
| | Tangible fixed assets | | |
| 5,858,618 | Properties (page 11) | | 6,019,664 |
| 26,992 | Furniture, fittings & equipment | | 25,227 |
| <u>5,885,610</u> | | | <u>6,044,891</u> |
| | Investments | | |
| 113,378 | Investments | | 123,621 |
| <u>5,998,988</u> | | | <u>6,168,512</u> |
| | Current assets | | |
| 237,711 | Debtors | 487,147 | |
| 609,908 | Loans | 630,544 | |
| 3,273,643 | Bank & Cash Deposit accounts | <u>3,740,697</u> | |
| <u>4,121,262</u> | | | 4,858,388 |
| | Less current liabilities | | |
| (1,131,402) | Creditors | (1,045,275) | |
| <u>(1,131,402)</u> | | | <u>(1,045,275)</u> |
| 2,989,860 | Net current assets | | 3,813,113 |
| | Less long term liabilities | | |
| (230,000) | Loans | (205,000) | |
| <u>8,758,848</u> | NET ASSETS | | <u>9,776,625</u> |
| | FUNDS | | |
| | General fund | | |
| 676,600 | Balance brought forward 1 January | 2,282,205 | |
| (130,744) | Excess income over expenditure for year | 49,496 | |
| - | Reallocation of payments: Clergy pension liability - 2016 | 832,000 | |
| 855,000 | Reallocation of payments: Clergy pension liability - 2015 | - | |
| 743,000 | Reallocation of payments: Clergy pension liability - 2014 | - | |
| (1,866) | Unrealised gain on revaluation of investments | 10,376 | |
| (43,385) | Transfer to Restricted fund - Brighton Christ Church | - | |
| 183,600 | Transfer from Designated Property fund | - | |
| <u>2,282,205</u> | Total General fund | | <u>3,174,077</u> |
| 6,476,643 | Designated funds (page 14) | | 6,602,548 |
| <u>8,758,848</u> | TOTAL FUNDS | | <u>9,776,625</u> |

PROPERTY IN THE OWNERSHIP OF THE BOARD OF FINANCE

| <u>Date</u> | | <u>2015</u> | <u>2016</u> |
|------------------------|--|-------------------------|-------------------------|
| <u>Acquired</u> | | <u>Valuation</u> | |
| | <u>MISCELLANEOUS PROPERTIES</u> | | |
| Sept 95 | Church House, New Church Rd Hove | 4,349,221 | 4,349,221 |
| April 02 | The Chapel, Pulborough | 529,250 | 357,403 |
| | <u>RETIRED CLERGY HOUSES</u> | | |
| Sept 83 | 49 Westgate, Chichester | 165,009 | 165,009 |
| Dec 87 | 12 Walsingham Road, Hove | 575,320 | 575,320 |
| Jan 06 | 19 Mill Close, Fishbourne (leasehold) | 239,818 | 572,711 |
| | TOTAL VALUATION OR COST | <u>5,858,618</u> | <u>6,019,664</u> |
| | NET BOOK VALUE | <u><u>5,858,618</u></u> | <u><u>6,019,664</u></u> |

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

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

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

PARISH CONTRIBUTION SUMMARY 2016

| <u>Net Parish Ministry Costs</u> | | <u>Deanery promise</u> | <u>Amount collected</u> | <u>Percentage of receipts to promise</u> | |
|---|--------------------------|-----------------------------------|------------------------------------|---|--------------------|
| | | | | <u>2016</u> | <u>2015</u> |
| | | £ | £ | % | % |
| <u>ARCHDEACONRY OF CHICHESTER</u> | | | | | |
| 1,200,591 | Arundel & Bognor Deanery | 1,092,624 | 1,036,396 | 94.9 | 94.6 |
| 808,168 | Chichester Deanery | 752,516 | 752,516 | 100.0 | 99.2 |
| 874,724 | Worthing Deanery | 896,529 | 896,529 | 100.0 | 100.0 |
| 389,653 | Westbourne Deanery | 382,589 | 382,589 | 100.0 | 97.9 |
| 3,273,136 | | 3,124,258 | 3,068,030 | 98.2 | 97.6 |
| <u>ARCHDEACONRY OF HORSHAM</u> | | | | | |
| 799,861 | Cuckfield Deanery | 803,760 | 798,118 | 99.3 | 100.0 |
| 928,999 | East Grinstead Deanery | 788,377 | 773,995 | 98.2 | 99.8 |
| 935,075 | Horsham Deanery | 863,653 | 862,133 | 99.8 | 98.2 |
| 613,312 | Hurst Deanery | 631,194 | 631,194 | 100.0 | 100.0 |
| 472,341 | Midhurst Deanery | 464,520 | 457,778 | 98.5 | 98.7 |
| 453,443 | Petworth Deanery | 450,473 | 449,882 | 99.9 | 100.0 |
| 484,693 | Storrington Deanery | 435,852 | 435,852 | 100.0 | 99.3 |
| 4,687,724 | | 4,437,829 | 4,408,952 | 99.3 | 99.4 |
| <u>ARCHDEACONRY OF HASTINGS</u> | | | | | |
| 625,734 | Battle & Bexhill Deanery | 482,519 | 482,519 | 100.0 | 98.9 |
| 609,400 | Dallington Deanery | 505,741 | 500,967 | 99.1 | 100.0 |
| 1,139,355 | Eastbourne Deanery | 1,028,316 | 1,026,352 | 99.8 | 97.5 |
| 764,132 | Hastings Deanery | 522,452 | 522,452 | 100.0 | 98.0 |
| 647,111 | Rotherfield Deanery | 647,111 | 647,111 | 100.0 | 99.0 |
| 476,235 | Rye Deanery | 440,129 | 437,548 | 99.4 | 100.0 |
| 540,872 | Uckfield Deanery | 467,619 | 467,619 | 100.0 | 100.0 |
| 4,802,839 | | 4,093,887 | 4,084,568 | 99.8 | 98.8 |
| <u>ARCHDEACONRY OF BRIGHTON & LEWES</u> | | | | | |
| 1,183,787 | Brighton Deanery | 1,199,521 | 1,165,453 | 97.2 | 100.0 |
| 731,702 | Hove Deanery | 730,736 | 697,433 | 95.4 | 96.9 |
| 1,003,708 | Lewes & Seaford Deanery | 898,358 | 889,845 | 99.1 | 100.0 |
| 2,919,197 | | 2,828,615 | 2,752,732 | 97.3 | 99.2 |
| 15,682,896 | Total | 14,484,588 | 14,314,281 | 98.8 | 97.2 |

ENDOWMENT AND RESTRICTED FUNDS - BALANCE SHEET
AS AT 31 DECEMBER 2016

| <u>2015</u> | | <u>2016</u> |
|---------------------|---|--------------------|
| £ | <u>PROPERTY AT VALUATION</u> | £ |
| 5,167,433 | Terry's Cross main house - Terry Cross Fund | 5,167,433 |
| 624,389 | Chaplaincy House, Falmer - University Fund | 624,389 |
| 1,398,954 | Deserted Widows property - Clergy Welfare fund | 1,525,731 |
| 164,086,209 | Parsonage property - Parsonage fund | 159,972,655 |
| 37,985,693 | Glebe property - Stipend fund | 40,600,921 |
| <u>4,334,726</u> | Glebe Land - Stipend Fund | <u>4,334,726</u> |
| <u>213,597,404</u> | | <u>212,225,855</u> |
| | <u>INVESTMENTS AT MARKET VALUE</u> | |
| 15,406,990 | M&G Charifund units | 16,376,253 |
| 24,980 | M&G Charibond units | 26,397 |
| 11,483,576 | Charles Stanley Portfolio | 12,592,193 |
| 1,990,195 | EdenTree - Amity Balance fund for Charities | 2,062,060 |
| 5,313,884 | JM Finns Portfolio | 6,293,806 |
| 60,251 | CBF investment fund | - |
| <u>2,515,681</u> | CBF fixed interest security shares | <u>2,631,383</u> |
| <u>36,795,557</u> | | 39,982,092 |
| | <u>CURRENT ASSETS</u> | |
| 741,163 | Loans | 790,950 |
| 3,626 | Debtors | 3,430 |
| <u>6,728,427</u> | Bank & Cash Deposit accounts | <u>1,640,817</u> |
| <u>7,473,216</u> | | <u>2,435,197</u> |
| <u>257,866,177</u> | | <u>254,643,143</u> |
| | <u>LESS: CURRENT LIABILITIES</u> | |
| (1,279,275) | Loans to the Board for houses purchased for deserted spouses | (1,401,574) |
| (280,038) | Creditors | (66,069) |
| (7,846,000) | Clergy pension scheme | (6,587,000) |
| (640,936) | Other equity sharing loans | (702,209) |
| <u>(10,046,249)</u> | | <u>(8,756,852)</u> |
| <u>247,819,928</u> | | <u>245,886,291</u> |
| | FUNDS (page 14) | |
| 228,558,215 | Endowment funds | 226,744,499 |
| <u>19,261,713</u> | Restricted funds | <u>19,141,792</u> |
| <u>247,819,928</u> | | <u>245,886,291</u> |

BREAKDOWN OF ENDOWMENT, RESTRICTED AND DESIGNATED FUNDS

| <u>ENDOWMENT FUNDS</u> | Balance 01/01/2016 | Income | Expendi- ture | Revaluation of property / investments | Balance 31/12/2016 |
|-------------------------------|-------------------------------|----------------|------------------|---|-------------------------------|
| | £ | £ | £ | £ | £ |
| Diocesan stipends fund (p15) | 48,850,786 | 102,045 | - | 1,273,002 | 50,225,833 |
| Parsonage Fund (p17) | 167,966,237 | 97,793 | - | (3,646,793) | 164,417,237 |
| Clergy welfare fund | 1,991,357 | - | - | 198,862 | 2,190,219 |
| Elfinward trust | 1,873,185 | - | - | 195,009 | 2,068,194 |
| Terry's Cross | 5,262,580 | - | - | - | 5,262,580 |
| Jenkinson trust | 43,672 | - | - | 4,283 | 47,955 |
| Training fund | 784,250 | - | - | 78,962 | 863,212 |
| University chaplaincy | 611,715 | - | - | 2,590 | 614,305 |
| Hayllar trust | 64,372 | - | - | 6,344 | 70,716 |
| The Poling Fund | 579,830 | - | - | 40,712 | 620,542 |
| The Arnold Bequest | 530,231 | - | (200,907) | 34,382 | 363,706 |
| | 228,558,215 | 199,838 | (200,907) | (1,812,647) | 226,744,499 |

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 credited to the general fund (see pg 2). All other income is credited to restricted funds (see below).

| <u>RESTRICTED FUNDS</u> | Balance 01/01/2016 | Income | Expendi- ture Transfer | Revaluation of property/ investments | Balance 31/12/2016 |
|---------------------------------|-------------------------------|----------------|------------------------------|--|-------------------------------|
| | £ | £ | £ | £ | £ |
| Diocesan pastoral account (p16) | 16,741,594 | 214,466 | (1,666,825) | 1,372,286 | 16,661,521 |
| Clergy welfare fund | 1,140,492 | 92,275 | (103,017) | 4,478 | 1,134,228 |
| B Wild Clergy Welfare Fund | 910,797 | - | (2,000) | | 908,797 |
| The Poling Fund | 11,562 | 28,416 | (39,485) | | 493 |
| Clergy widows | 46,770 | 24 | - | | 46,794 |
| University chaplaincy | 33,127 | 1,276 | (357) | | 34,046 |
| Jenkinson trust | 17,420 | 2,007 | (1,165) | | 18,262 |
| Hayllar trust | 77,910 | 3,235 | (1,600) | | 79,545 |
| World Church Experience | 48,542 | - | (1,000) | | 47,542 |
| Harvest Appeal | 72,696 | 28,089 | (28,174) | | 72,611 |
| The Arnold Bequest | 47,575 | 19,577 | (24,639) | | 42,513 |
| Christ Church | 20,202 | - | (20,202) | | - |
| Reader Committee | 12,743 | 11,145 | (8,131) | | 15,757 |
| Schools resources | 5,150 | - | (600) | | 4,550 |
| 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 |
| | 19,261,713 | 400,510 | (1,897,195) | 1,376,764 | 19,141,792 |

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

| <u>DESIGNATED FUNDS</u> | Balance 01/01/2016 | Income | Expendi- ture | Transfers & revaluations | Balance 31/12/2016 |
|--------------------------------|-------------------------------|----------------|------------------|-----------------------------|-------------------------------|
| | £ | £ | £ | £ | £ |
| Property fund | 5,852,618 | - | - | 161,046 | 6,013,664 |
| Clergy Conference 2018 | - | - | - | 25,000 | 25,000 |
| Parish mission fund | 572,014 | 156,994 | (193,082) | - | 535,926 |
| Bishop Certificates | 35,958 | 333 | (24,670) | 284 | 11,905 |
| Ecumenical officer fund | 16,053 | - | - | - | 16,053 |
| | 6,476,643 | 157,327 | (217,752) | 186,330 | 6,602,548 |

DIOCESAN STIPENDS FUND CAPITAL ACCOUNT
31 December 2016

| | |
|------------------------|-----------------|
| Balance 1 January 2016 | £ 48,850,786 |
| | 48,850,786 |

INCOME

| <u>Sale of Glebe property etc.</u> | Valuation | Proceeds | Profit/(loss) |
|------------------------------------|-----------|----------|---------------|
| Rectory Lodge, West Grinstead | 175,099 | 306,177 | 131,078 |
| 19 St Wilfrids Green, Hailsham | 238,814 | 209,579 | (29,235) |
| Bethel, 8 Acre Lane, Three Oaks | 297,661 | 281,600 | (16,061) |
| Rectory Wing, Withyham | - | 16,263 | 16,263 |
| | 711,574 | 813,619 | 102,045 |

TOTAL INCOME 102,045

REVALUATIONS OF ASSETS AND PENSION LIABILITY

| | |
|---|-----------|
| Revaluation of Glebe property for the 12 months at 31st December 2016 | (605,526) |
| Revaluation of Glebe land for the 12 months at 31st December 2016 | - |
| Revaluation of Clergy Pension Deficit at 31st December 2016 | 427,000 |

GAINS/(LOSS) ON REVALUATION OF INVESTMENTS

| | |
|---|--------|
| Realised gain/(loss) on sale of Charles Stanley Portfolio | 52,711 |
| Realised gain/(loss) on sale of JM Finns Portfolio | 10,515 |
| | 63,226 |

| | |
|--|-----------|
| Unrealised gain/(loss) on revaluation of CBF FIS shares | 56,672 |
| Unrealised gain/(loss) on revaluation of Charles Stanley Portf | 535,214 |
| Unrealised gain/(loss) on revaluation of JM Finns Portfolio | 345,302 |
| Unrealised gain/(loss) on revaluation of M&G Charifund units | 451,114 |
| | 1,388,302 |

NET GAIN ON REVALUATION OF INVESTMENTS 1,451,528

| | |
|--------------------------|------------|
| Balance 31 December 2016 | 50,225,833 |
|--------------------------|------------|

REPRESENTED BY:

| | <u>Market value</u> £ |
|--|--------------------------|
| CBF Fixed Interest Shares | 1,043,644 |
| Charles Stanley Portfolio | 5,883,529 |
| JM Finns Portfolio | 2,705,454 |
| M&G Charifund units | 6,820,768 |
| | 16,453,395 |
| Glebe Property at Valuation | 40,600,921 |
| Glebe Land at Valuation | 4,334,726 |
| Cash at bank | (4,576,209) |
| Creditor - Clergy pension Fund Liability | (6,587,000) |
| | 50,225,833 |

MEMO

| <u>Purchase of Glebe properties</u> | |
|-------------------------------------|-----------|
| Wickhurst Green (Plot 82) | 599,180 |
| 1 Orchard Hill, Rudgwick | 454,825 |
| The Bungalow, Angmering | 340,737 |
| 21 Wilson Avenue, Brighton | 614,967 |
| 207 Kilnwood Vale, Horsham | 583,930 |
| Beechmount, Crowborough | 852,790 |
| 25 Wyvern Place, Warnham | 485,898 |
| | 3,932,327 |

DIOCESAN PASTORAL ACCOUNT
31 December 2016

| | | £ |
|--|-----------|---------------------|
| Balance 1 January 2016 | | 16,741,594 |
| INCOME | | |
| <u>Sale of land</u> | | |
| Transfer surplus from sale of Heyshott parsonage | 141,372 | |
| | 141,372 | |
| <u>Sale of redundant church</u> | | |
| Holy Trinity Hove | 73,094 | |
| | 73,094 | |
| TOTAL INCOME | | 214,466 |
| EXPENDITURE | | |
| <u>Grants</u> | | |
| Hurst Deanery re St Georges Chapel | (33,000) | |
| St Mary's Kemp Town | (19,825) | |
| MAT re free school bid | (15,000) | |
| MAT re operating costs | (152,000) | |
| Church Commissioners re R&R | (100,000) | |
| Reverse St John Sub Castro 2015 grant | 100,000 | |
| | (219,825) | |
| TRANSFER TO GENERAL FUND | | |
| Relating to Clergy and Layworkers housing | | (1,447,000) |
| | | (1,447,000) |
| TOTAL EXPENDITURE AND TRANSFER | | (1,666,825) |
| GAINS/(LOSS) ON REVALUATION OF INVESTMENTS | | |
| Realised gain/(loss) on sale of CBF FIS shares | - | |
| Realised gain/(loss) on sale of Charles Stanley Portfolio | 36,918 | |
| Realised gain/(loss) on sale of JM Finns Portfolio | 10,662 | |
| Realised gain/(loss) on sale of M&G Charifund units | - | |
| | 47,579 | |
| Unrealised gain/(loss) on revaluation of CBF FIS shares | 78,543 | |
| Unrealised gain/(loss) on revaluation of Edentree | 71,865 | |
| Unrealised gain/(loss) on revaluation of Charles Stanley Portfolio | 375,328 | |
| Unrealised gain/(loss) on revaluation of JM Finns Portfolio | 349,660 | |
| Unrealised gain/(loss) on revaluation of M&G Charifund units | 449,311 | |
| | 1,324,706 | |
| NET GAIN ON REVALUATION OF INVESTMENTS | | 1,372,286 |
| Balance 31 December 2016 | | 16,661,521 |
| REPRESENTED BY: | | |
| | | <u>Market value</u> |
| | | £ |
| Investments | | |
| CBF Fixed Interest Shares | | 1,446,420 |
| Edentree - Amity Balanced fund for charities | | 2,062,060 |
| Charles Stanley Portfolio | | 4,120,714 |
| JM Finns Portfolio | | 2,743,292 |
| M&G Charifund units | | 6,793,512 |
| | | 17,165,998 |
| Debtors | | 3,430 |
| Cash at bank | | (441,997) |
| Creditors | | (65,909) |
| | | 16,661,521 |

PARSONAGE FUND
31 December 2016

£

Balance 1 January 2016

167,966,237

INCOME

| <u>Sale of parsonages etc.</u> | Valuation | Proceeds | Profit/(loss) |
|---------------------------------------|------------------|------------------|---------------|
| Eastergate Rectory | 613,311 | 663,962 | 50,651 |
| Land at Rectory Lodge, West Grinstead | - | 19,543 | 19,543 |
| Paddock, 33 Church Road, Newick | - | 27,599 | 27,599 |
| Old Rectory, Heyshott | 864,502 | 1,005,874 | 141,372 |
| | <u>1,477,813</u> | <u>1,716,978</u> | - |
| | | | 239,165 |

Transfer profit on Heyshott to pastoral account (141,372)

TOTAL INCOME

97,793

Revaluation of property for the 12 months to 31st December 2016

(3,646,793)

Balance 31 December 2016

164,417,237

REPRESENTED BY:

Parsonage Property at Valuation 31/12/16
Cash at bank

159,972,655
4,444,582
164,417,237

MEMO

Purchase of parsonages

| | |
|---------------------------------|------------------|
| 14 Mount Caburn, Peacehaven | 415,117 |
| 4 Glenleigh Walk, Robertsbridge | 595,935 |
| | <u>1,011,052</u> |

ARCHDEACON'S LOAN FUNDS - BALANCE SHEET AT 31/12/16

| | <u>Sussex</u> <u>Church</u> <u>Campaign</u> £ | <u>Denne</u> £ | <u>Godman</u> £ | <u>Rawson</u> £ | <u>TOTAL</u> £ |
|---|---|--------------------------|---------------------------|---------------------------|--------------------------|
| <u>CAPITAL</u> | | | | | |
| At 1 January 2016 | 107,427 | 206,089 | 80,071 | 105,016 | 498,603 |
| Unrealised gains/(loss) on revaluation of investments | 7,534 | 13,332 | 5,596 | 7,232 | 33,694 |
| At 31 December 2016 | 114,961 | 219,421 | 85,667 | 112,248 | 532,297 |
| <u>Investments at market value</u> | | | | | |
| M&G Charifund units | 109,153 | 119,683 | 79,857 | 96,025 | 404,719 |
| CBF F.I.S. shrs | 5,808 | 99,737 | 5,810 | 16,223 | 127,579 |
| | 114,961 | 219,421 | 85,667 | 112,248 | 532,297 |
| <u>ACCUMULATED INCOME</u> | | | | | |
| At 1 January 2016 | 238,481 | 429,198 | 208,623 | 263,283 | 1,139,585 |
| Investment income 2016 | 5,615 | 10,441 | 4,545 | 5,595 | 26,196 |
| | 244,096 | 439,639 | 213,168 | 268,878 | 1,165,781 |
| Represented by: | | | | | |
| CBF deposits | 68,964 | 150,356 | 129,994 | 100,748 | 450,062 |
| Bank | 68,832 | 170,303 | (86,811) | 23,680 | 176,004 |
| Loans outstanding | 106,300 | 118,980 | 169,985 | 144,450 | 539,715 |
| | 244,096 | 439,639 | 213,168 | 268,878 | 1,165,781 |
| Funds currently available | 137,796 | 320,659 | 43,183 | 124,428 | 626,066 |

AIDED SCHOOLS FUND
INCOME & EXPENDITURE 2016

| <u>2015</u> | | <u>2016</u> | |
|--------------------|---|--------------------|---------------|
| £ | INCOME | £ | £ |
| <u>28,038</u> | Dividends and interest | <u>27,513</u> | |
| 28,038 | TOTAL INCOME | | 27,513 |
| | EXPENDITURE | | |
| 42,000 | DBF administration charge | 42,000 | |
| 55,000 | Grant to Chichester Multi Academy Trust | - | |
| <u>372</u> | Bank charges | <u>328</u> | |
| (97,372) | TOTAL EXPENDITURE | | (42,328) |
| (2,793) | UNREALISED GAIN/(LOSS) ON REVALUATION OF INVESTMENTS | | 60,646 |
| <u>(72,127)</u> | NET MOVEMENT IN FUNDS | | <u>45,831</u> |

BALANCE SHEET 31/12/16

| | | |
|------------------|---|------------------|
| £ | | |
| 1,946,066 | Balance 1 January | 1,873,939 |
| (72,127) | Profit/(loss) for the year | <u>45,831</u> |
| <u>1,873,939</u> | Balance 31 December | <u>1,919,770</u> |
| | REPRESENTED BY: | |
| 748,579 | Investments at market value | 809,225 |
| 39,958 | Long term loans to governors | 19,606 |
| 585,201 | Debtor - Building project loans (repayable by DCSF, LEA & school govts) | 242,096 |
| 12,629 | Debtors | 68,446 |
| 548,467 | CBF deposit | 818,001 |
| 1,447,529 | Cash at bank | 868,186 |
| (868,057) | Creditor - Building project loans (repayable to LEA) | (779,420) |
| (600,720) | Creditors | (86,723) |
| <u>(39,647)</u> | Contingent liability | <u>(39,647)</u> |
| <u>1,873,939</u> | | <u>1,919,770</u> |

FUNDS HELD IN TRUST
FOR PARISHES AND OTHER ORGANISATIONS
YEAR ENDING 31 DECEMBER 2016

| 2015 | | 2016 |
|-------------------------------------|--|-------------------|
| £ | | £ |
| <u>PARISH TRUSTS</u> | | |
| 12,588,951 | Capital | 13,861,141 |
| 83,808 | Income | 99,266 |
| <u>12,672,759</u> | | <u>13,960,407</u> |
| REPRESENTED BY: | | |
| 11,976,973 | Investments at market value | 13,242,651 |
| 3,300 | Sundry debtors | 3,300 |
| 619,452 | Central Board of Finance deposits | 613,857 |
| (52,048) | Creditor | (184,100) |
| 125,082 | Cash at bank | 284,699 |
| <u>12,672,759</u> | | <u>13,960,407</u> |
| <u>CHANCEL TRUSTS</u> | | |
| 430,898 | Capital held in trust for chancels | 472,493 |
| 2,966 | Capital held on account for administration | 3,710 |
| 217,695 | Accumulated income (claimable by parishes) | 228,114 |
| <u>651,559</u> | | <u>704,317</u> |
| REPRESENTED BY: | | |
| 437,384 | Investments at market value | 486,203 |
| 220,916 | Central Board of Finance deposits | 233,451 |
| (6,741) | Creditor | (15,337) |
| <u>651,559</u> | | <u>704,317</u> |
| <u>EDUCATION TRUST FUNDS</u> | | |
| <u>2,163,808</u> | Funds held for Governors and Trustees | <u>3,078,843</u> |
| REPRESENTED BY: | | |
| 1,380,326 | Investments at market value | 1,529,792 |
| 783,482 | Current deposits and bank | 1,549,051 |
| <u>2,163,808</u> | | <u>3,078,843</u> |

Reconciliation of Red Book and Statutory Accounts - 2016

| | UF | DF | RF | EF | Total | |
|---|-------------------|----------------|------------------|----------------|-------------------|---|
| | £ | £ | £ | £ | £ | |
| Income per Red Book | 17,571,265 | 157,327 | 400,510 | 199,838 | | |
| AD Loans | | | 26,196 | | | |
| Schools | | | 27,513 | | | |
| | <u>17,571,265</u> | <u>157,327</u> | <u>454,219</u> | <u>199,838</u> | <u>18,382,649</u> | |
| Adjustments: | | | | | | |
| Surplus on Heyshott - reported as EF in stat accounts and RF in Red Book | | | (141,372) | 141,372 | - | |
| Stipend fund inc - restricted in stat accounts and UF in Red Book | (682,762) | | 682,762 | | - | |
| Training fund - restricted in stat accounts and UF in Red Book | (35,871) | | 35,871 | | - | |
| Welfare trust income - internal transfer. Not in stat accounts | (97,119) | | | | (97,119) | a |
| SLA income - reported in stat accounts and net off expenditure in Red Book | 209,241 | | | | 209,241 | b |
| Magnet income - reported in stat accounts and net off expenditure in Red Book | 3,762 | | | | 3,762 | b |
| Officers Housing - internal transfer. Not in stat accounts | (44,400) | | | | (44,400) | c |
| Other income - housing - internal transfer. Not in stat accounts | (27,600) | | | | (27,600) | c |
| Glebe income - restricted in stat accounts and UF in Red Book | (260,261) | | 260,261 | | - | |
| Parish Trust income - restricted in stat accounts and UF in Red Book | (89,056) | | 89,056 | | - | |
| Guaranteed annuities - not reported in Red Book | | | 21,606 | | 21,606 | d |
| Collections - restricted in stat accounts and UF in Red Book | (1,092) | | 1,092 | | - | |
| Rounding | (1) | | (1) | | | |
| Adjusted Red Book total - income | <u>16,546,106</u> | <u>157,327</u> | <u>1,403,494</u> | <u>341,210</u> | <u>18,448,137</u> | |
| Statutory accounts totals - income | 16,546,106 | 157,327 | 1,403,494 | 341,210 | 18,448,137 | |

| | UF £ | DF £ | RF £ | EF £ | Total £ | |
|---|-------------|---------|-----------|---------|-------------|---|
| Expenditure per Red Book | 18,968,769 | 217,752 | 1,897,195 | 200,907 | | |
| AD Loans | | | - | | | |
| Schools | | | 42,328 | | | |
| | 18,968,769 | 217,752 | 1,939,523 | 200,907 | 21,326,951 | |
| Adjustments: | | | | | | |
| Pension fund movement - not reported in Red Book | (427,000) | | | | (427,000) | |
| Glebe administration - RF in stat accounts | (55,751) | | 55,751 | | - | |
| Stipends - RF in stat accounts | (957,352) | | 957,352 | | - | |
| Pension deficit contribution - movement in creditors in stat accounts | (832,000) | | | | (832,000) | |
| Housing costs met from Pastoral fund - shown below the line in Red Book | (1,447,000) | | | | (1,447,000) | |
| Grant from Aided Schools fund - trf in stat accounts | 42,000 | | (42,000) | | - | |
| SLA income - reported in stat accounts and net off expenditure in Red Book | 207,602 | | | | 207,602 | b |
| Schools training income - reported in stat accounts and net off expenditure in RB | 1,639 | | | | 1,639 | b |
| Magnet income - reported in stat accounts and net off expenditure in Red Book | 3,762 | | | | 3,762 | b |
| Bishops' housing and council tax. Internal transfer. Not in stat accounts | (20,100) | | | | (20,100) | c |
| AD housnig and council tax - internal transfer. Not in stat accounts | (35,600) | | | | (35,600) | c |
| Welfare trust expenditure - internal transfer. Not in stat accounts | (97,118) | | | | (97,118) | a |
| Clergy conference - trf in stat accounts | (25,000) | | | | (25,000) | |
| Training housing -internal transfer - not in stat accounts | (3,000) | | | | (3,000) | c |
| Guaranteed annuities - not reported in Red Book | 21,606 | | | | 21,606 | d |
| Training costs - in RF is stat accounts | (35,869) | | 35,869 | | - | |
| Workplace ministry housing costs - internal transfer - not in stat accounts | (7,100) | | | | (7,100) | c |
| University housing costs - internal transfer - not in stat accounts | (6,200) | | | | (6,200) | c |
| Investment manager fees in RF in stat accounts (stipends) | (40,583) | | 40,583 | | - | |
| Investment manager fees in RF in stat accounts (training fund) | (1,094) | | 1,094 | | - | |
| | | | | | - | |
| Adjusted Red Book total | 15,254,611 | 217,752 | 2,988,172 | 200,907 | 18,661,442 | |
| Statutory accounts totals | 15,254,611 | 217,752 | 2,988,172 | 200,907 | 18,661,442 | |

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

An individual giver's loyalty is usually 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.

But every local church has 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 to be funded. For others there may be a change in donor profiles which suddenly reduces income. For yet others, even meeting running costs is severely challenging.

Help is at hand! While there is no universal model or solution, there is some well-organised guidance online. The starting point is www.chichester.anglican.org/money from where you will be quickly guided to resources of interest. Follow this up with a call to the Apostolic Life team (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 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.

Diocesan initiatives will help. To help local churches understand their populations in greater detail, the Apostolic Life team have access to a wealth of demographic and deprivation data. For regular giving, the Parish Giving Scheme (PGS) is now used by nearly twenty Church of England dioceses: Chichester was one of the first. New ways of digital giving are also becoming mainstream.

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

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

For more information, try www.chichester.anglican.org/money, search for other resources online or call 01273 421021 and ask for 'apostolic life'.

Help for local churches seeking to resource their ministry

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

More online resources:

www.chichester.anglican.org/money

a good starting point for all money matters

www.parishresources.org.uk

an excellent website setting out all aspects of local church administration

www.churchlegacy.org.uk

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

Four key points from 'Giving for Life'

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

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If you would like to speak to someone, call 01273 421021 and ask for 'Apostolic Life'