

The Bath & Wells Diocesan Board of Finance



Annual Report and Accounts

for the year ended 31 December 2016



DIOCESE OF
Bath & Wells

Living the story. Telling the story.

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

	Page
1. Annual Report	
A Legal Framework	1
A1 Legal Objects	
A2 Public Benefit	
B Strategic Report:	2
B1 Strategic Aims	
B2 Objectives for the year	
B3 Activities and Achievements in the year	
B4 Future Plans	
B5 Financial Review	
B6 Principal Risks and Uncertainties	
C Structure and Governance	11
C1 Summary information about the structure of the Church of England	
C2 Organisational and decision making structure	
C3 Trustee recruitment, selection and induction	
C4 Remuneration of key management personnel	
C5 Funds held as Custodian Trustee	
C6 Funds held on behalf of schools	
D Trustee Responsibilities	16
D1 Trustees Responsibilities for Annual Reports and Accounts	
D2 Statement of disclosure to the auditors	
D3 Appointment of auditors	
E Legal and Administrative Details	18
F Trustees	19
2. Financial Statements	
Independent Auditor's Report	20
Statement of Financial Activities	21
Income and Expenditure Account	22
Balance Sheet	23
Cash Flow Statement	24
Notes to the Accounts	25
3. Appendices (non statutory information)	
A Consolidated Management Accounts Summary	59
B Management to Statutory Accounts Reconciliations	60
C Consolidated Financial Trusts	62
D 5 Year Actuals	64
E Glossary	65

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

The Trustees, who are also directors for the purposes of company law, present their annual report together with the audited financial statements for the year ended 31 December 2016.

In signing this combined report as trustees they are also signing the Strategic Report section in their capacity as directors.

The combined report satisfies the legal requirements for the following:

- A Directors' Report of a charitable company;
- A Strategic Report under the Companies Act 2006;
- A Trustees' Annual Report under the Charities Act 2011.

A Legal framework

A1 Legal Objects

The objects of the Bath & Wells Diocesan Board of Finance (DBF) cover the Diocese of Bath & Wells which includes the entire county of Somerset and a small area of Dorset.

The DBF's principal object is to promote, assist and advance the work of the Church of England in the Diocese of Bath & Wells by acting as the financial executive of the Bath & Wells Diocesan Synod.

The DBF has the following statutory responsibilities:

- the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976;
- the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
- the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991;
- the custodian of permanent endowment and real property assets relating to trusts

held by Incumbents and Archdeacons and by Parochial Church Councils (PCCs) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Bath & Wells (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally, including an annual series of consultations on specific matters relating to the priorities for the forthcoming year, taking forward any commitments arising including the DBF Budget.

A2 Public Benefit

The Trustees are aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and have regard to that guidance in their administration of the charity. The DBF believes that this report provides evidence of the public benefit of the charity's work in 2016.

As described more fully throughout the report, the DBF provides funds to support ministers of religion in the Diocese, to →

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

support education and to support the maintenance of many buildings including parsonages and churches, many of which form an important part of the historic fabric and architectural heritage of the area. The vast majority are available to the public at large and none is restricted to members of the Church of England.

The religious purposes of the Church of England are serious and tend to the moral and spiritual improvement of the public or, in other words, to the cure of souls. The ministers of religion seek to advance and promote the Christian religion amongst the people of the Diocese and to sustain their belief in God, in part through the provision of public religious services, open to all, and in part through bearing Christian witness.

B Strategic Report

B1 Strategic Aims

In line with its legal and charitable objects, the role of the DBF is to identify and manage the financial aspects of the provision of ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities of the Diocese.

The Trustees give practical support to the diocesan vision and strategy, which is endorsed by Diocesan Synod.

Diocesan Vision

During 2015/16 the Diocese undertook a Strategic Review "Shaping our Future" undergirded by the Archbishop's charge to the Bishop of Bath & Wells, given at his inauguration in June 2014. This has been developed into a new diocesan vision and strategy presented to and endorsed by Synod.

The Diocesan vision is expressed in the following words:

"In response to God's immense love for us, we seek to be God's people living and telling the story of Jesus."

Strategic Priorities

The strategic plan has three priorities for action:

1. to place mission and evangelism at the heart of everything we do
2. to realign our ministry resources towards mission
3. to identify, develop and use the gifts of all our people

Supporting Strands

Linked with the priorities are seven supporting strands from which programmes will be developed and implemented:

- prayer
- deanery leadership
- leadership development
- resource for mission
- sustainable rural church
- engagement with the common good
- vocational development

B2 Objectives for the Year

The approved plan included the following objectives which have been progressed during 2016 :

- appointment of a Bishop's Officer who will support Bishop's Staff in the continued development and implementation of a programme of plans and goals to further the strategic priorities;
- creation of 10 new posts with a missional and pioneering character to grow opportunities for Mission and Evangelism;

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

- retention of 176 existing parochial stipendiary clergy posts
- an increase in vocations including stipendiary curacy.

In 2016 the strategy started to be translated into a resourcing plan and future annual objectives, including applications for Church Commissioners' Strategic Capacity and Strategic Development Funding

In the transition, the DBF set another break-even operating budget for 2016. In accordance with the previous decision to hold Common Fund increases to no more than 2% each year in the period from 2014 to 2016, the Common Fund increase for 2016 was set at 1%.

B3 Activities and Achievements in the Year

Common Fund

In 2016 the DBF increased the Common Fund (sum of Parish Share contributions) by 1.0% against the 2015 level.

Every effort is made by the DBF to hold down increases in the Common Fund, which is contributed by PCCs towards the ministry and other costs of the diocese. A large part of the costs are stipends, pensions, staff salaries and building maintenance costs, which increase broadly in line with inflation.

Overall there was a monetary increase in Parish Share received of 1.5% which represented 99.0% of share requested from parishes (2015 - 98.7%). During the year the Common Fund Working Group continued to consider refinements to the Parish Share allocation methodology to ensure that the allocation is both fair and equitable to parishes both large and small and to parishes whose memberships are either better placed, or less well placed,

to meet the share allocation. Proposals for making any significant changes to the allocation methodology are brought to Bishop's Council and Diocesan Synod for approval before introduction.

Operating Budget

The planned operating budget for the year was break-even. The actual operating surplus was £51,000 This favourable variance primarily arose from a lower level of curates and higher staff vacancies than expected offset by lower parochial fee income and investment income. Lower dividend returns were partially offset by higher returns from Glebe rents.

Non-statutory financial information on pages 59 to 65 provides a breakdown of this actual operating surplus and how it relates to the net incoming resources reported in the Statement of Financial Activities (SOFA) on page 21.

The DBF plans to achieve another balanced operating budget in 2017.

Appointment of a Bishop's Officer

In October 2016 the Diocese welcomed The Reverend Charlie Peer as the new Strategic Programme Manager. This post, partly funded from a Strategic Capacity Grant from the National Church, will support Bishop's Staff in the further development and implementation of a programme of the supporting strands to further the strategic priorities.

Creation of new posts with a missional and pioneering character

In October 2016 the first post was appointed. The Reverend Morey Andrews joined the Diocese as a pioneer working as Strategic Mission Enabler in Sedgemoor Deanery to work alongside the parish churches to →

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

foster new expressions of faith in areas of new housing and across the deanery. During the year the Diocese embarked on further development of this element of the strategy and is working with the National Church to submit an application for Strategic Development Funding for further posts.

Increased vocations including stipendiary curacy

In February 2016 the Bishops invited clergy and parishes in the Diocese to pray for an increase in vocations in our diocese during Lent. There has been an excellent response from church members of all ages who are now exploring their particular callings with the Vocations Team.

Resourcing Diocesan needs

The DBF holds glebe investments for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Glebe investments are held in agricultural land, commercial and residential land and buildings and financial investments as described in the Financial Review on page 6 to this report and in note 18.

The Diocese is relatively strong financially compared with many other dioceses and expects to bear a proportionately larger share of National Church costs than less well-resourced dioceses.

The DBF and the parishes it serves are resourced with over 600 clergy, either licensed or with permission to officiate, including not only stipendiary parish priests, curates and diocesan clergy (note 14b) but also self supporting ministers, chaplains, ministers with a House for Duty and many retired clergy. In addition there are over 350 lay ministers, either licensed or with permission to officiate, including readers, authorised lay ministers and lay chaplains.

In 2015 the Mission Development Fund was created using £1m transferred from accumulated General Fund reserves. This is now fully committed. A five year resourcing plan is being developed to identify the impact on DBF finances of the strategic initiatives.

Volunteers

The DBF 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 DBF greatly values the considerable time given by all committee members and other volunteers across the diocese in pursuit of the mission of the DBF.

Related Parties

General Synod, Church Commissioners and Archbishops' Council

The DBF has to comply with Measures passed by the General Synod of the Church of England and also makes certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends costs of the Diocesan and Suffragan Bishops are borne by the Church Commissioners.

PCCs

The DBF is required by Measure to be custodian trustee in relation to certain PCC property, but has no control over PCCs, which are independent registered or excepted charities. The accounts of PCCs and deaneries do not form part of these financial statements. PCCs are able to influence the

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

decision making within the DBF and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Other

- **The Church of England Pensions Board** to which the DBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.
- **The Chapter of Wells Cathedral** from which the DBF receives modest alms. Some diocesan events held in the Cathedral are paid for by the DBF. The DBF provides HR services to the Chapter under a service level agreement.
- **The Foundation of St Matthias**, of which one DBF trustee and two DBF employees are trustees, from which the DBF receives grants for educational services.
- **The Bath & Wells Multi Academy Trust** (B&W MAT) of which one DBF employee was a trustee until (18 April 2017). B&W MAT leases serviced office accommodation from the DBF. The DBF provided educational services to B&W MAT during the year.
- **The Palace Trust**, Wells, of which the Bishop is a trustee. The DBF provided finance and HR services to the Trust under a service level agreement.
- **The Abbey House**, Glastonbury, of which one DBF trustee and one DBF employee are trustees. The DBF provides a payroll service to the Abbey House Trust. The DBF utilises the Abbey House for retreats and conferences at its normal rates.
- **Discretionary trust funds** administered by employees of the DBF. DBF trustees of these trusts are as follows:

The Stone Trust (5 DBF trustees, 1 DBF employee), The Herbert Trust (2 DBF Trustees), Bishop's Rib (1 DBF Trustee), Wells Clerical Charity (2 DBF trustees), The Archdeaconry of Taunton Fund for Clergy, their Widows and Dependants (1 DBF trustee), the Wynne Willson Scholarship Fund (2 DBF trustees) and The Bath Clerical Families Fund (2 DBF trustees). Except for the Bath Clerical Families Fund, management charges are paid by the trusts to the DBF and the DBF receives an annual grant from the Bishop's Rib towards the working costs of the 3 Archdeacons.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of the transactions merits more detailed disclosure this is given in note 13 to the financial statements.

B4 Future Plans

The strategic plan will continue to be developed and implemented over the next three years, 2017-2019. Objectives and an implementation plan will be developed for each of the seven strands, in addition to an evaluation plan.

In Spring 2017 the Bishops are meeting with representatives of all parishes in a series of Community Conversations. The events include a time of worship, prayer and storytelling to explore the challenge and opportunities of living and telling the story across the Diocese. This will raise awareness and support of the Diocesan vision and strategy in the parishes of the Diocese.

During 2017 all Deaneries have been asked to prepare and submit their Deanery Mission Plans, Following this, the Archdeaconry Mission and Pastoral

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

Groups and Bishop's Council will consider how ministry resources should be best aligned for mission, in the light of the priorities and opportunities identified by the Deaneries.

In 2017 a rolling five year sustainable resourcing plan (2018-2022) will be finalised, including applications for Church Commissioners' Strategic Capacity and Development Funding and annual objectives.

As the first phase of moving towards this, the DBF has set a balanced operating budget for 2017. This included a Common Fund increase of 1.5 % and committed expenditure from the Mission Development Fund of £575,000 (including £189,000 transfer to the Fund for Church Growth (FCG))

B5 Financial Review

Financial Performance

The SOFA for the year on page 21 shows total income and endowments of £13.8m (2015 - £13.7m) and total expenditure of £11.1m (2015- £12.7m).

Income was stable, with an increase in Parish Share £0.1m, gain on revaluation of equity loans £0.2m and an increase in notional interest £0.1m offset by lower gains on disposal of properties £0.3m. Expenditure decreased because of the removal of impairment reserves previously provided on some houses and no longer required of £1.9m, partially offset by an increase from stipendiary clergy in post of £0.3m.

In addition, gains on investments £2.4m and remeasurement gains on pensions £0.3m resulted in the net increase in funds amounting to £5.4m (2015 - £5.4m). Total fund balances increased from £92.8m to £98.2m.

Despite net income of £2.7m (2015 - £1.1m) from operating activities (before investment income) there was a net cash outflow from these activities of £2.3m (2015 -£0.9m). This was due to the net income including a number of non cash items as shown in the reconciliation in the cash flow statement on page 24. The DBF benefitted from £1.6m of income from investments and an increase of £0.3m in loans received. It expended £1.2m (net) on additional housing and transferred cash funds of £0.5m into investments. This resulted in an overall net cash outflow for the year of £2.1m (2015 - £1.5m inflow) which mainly arose from the purchase of housing for clergy and surplus cash being invested to generate income.

Investment Income

Agricultural, commercial and residential land and buildings (including school land) were valued at £20.5m at 31 December 2016 (2015 - £19.7m). Gross rents receivable amounted to £359,000 (2015 - £333,000), representing a gross income yield of 1.8% (2015 - 1.7%).

The financial investments held and their return during the year are set out as in the following table:

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

	Funds at 31 Dec 2016 £000	% of portfolio	Income yield in year %	Total return in year %
Charles Stanley Managed				
Listed Equities	11,466	50	4.2	13.4
Listed Equities - Glebe	3,233	14	4.2	15.6
Listed Fixed Interest	2,261	10	5.1	14.9
	16,960	74	4.3	14.0
CCLA managed				
CCLA CBF Investment Fund	1,783	8	3.8	13.5
CCLA CBF Property Fund	4,259	18	5.5	2.4
CCLA CBF Fixed Interest Fund	3	-	4.1	9.9
	6,045	26	5.0	5.4
Other Investments	15	-	0.6	0.6
Total Financial Investments	23,020	100%	4.5%	11.4%

The Trustees have set a target income return of 4% plus inflation together with maintenance of the real value of capital.

Grants received

The DBF gratefully acknowledges grants received from Allchurches Trust of £140,170 (2015 - £136,751) and from The Foundation of St. Matthias totalling £56,000 (2015 - £62,000).

The DBF received £66,310 (2015 - £66,240) from the Archbishops' Council into the Mission Development Fund which formed part of the £255,000 transfer to the FCG. In addition in 2016 the DBF received a grant of £35,000 from the Archbishops' Council Strategic Capacity Fund towards consultancy costs and the salary of the Strategic Programme Manager.

Significant Property Transactions

The net proceeds of sale of land and buildings totalled £1.9m and the costs of land and buildings purchased totalled

£2.9m which included a net increase of 2 houses. The DBF policy continues to be:

- to replace unsuitable properties;
- to accommodate the changing geographical deployment of clergy within the Diocese;
- to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

Balance Sheet Position

The net assets at the balance sheet date totalled £98.2m (2015 - £92.8m). This total includes properties totalling £57.8m (2015 - £54.2m), which are mainly used to house the stipendiary clergy. Much of the remainder of the assets shown in the balance sheet are held in restricted and endowment funds and cannot necessarily be used for the general purposes of the DBF.

The Trustees consider that note 25 shows that the restricted and endowment funds →

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

are held in an appropriate mix of investment and current assets given the purposes for which the funds are held, which are explained in note 24.

The Trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern and have prepared the financial statements on that basis.

Reserves Policy

Free reserves

The Trustees require reserves to:

- meet short term excesses of expenditure over income
- provide funds for expenditure with long life horizons such as clergy housing
- fund recognised future 'infrastructure' and strategic policies which will require resources, such as the changing structure of ministry and the deployment of clergy.

It is the DBF's policy to maintain the readily realisable assets in the Unrestricted General Fund at between three and six months' unrestricted expenditure. The aim is to ensure the availability of sufficient liquid funds to enable the DBF to meet its commitments on a daily basis.

At 31 December 2016 the General Fund's net assets amounted to £5.8m (2015 - £5.2m). The net income of £1.6m was offset by transfers to designated funds £0.9m as described in note 15.

The 2016 total expenditure from Unrestricted General Funds was £11.4m and the General Fund reserve provides for 6.1 months' expenditure (2015 - 5.5 months), which is just above the target range of three to six months noted above.

Designated reserves

Tangible Fixed Asset reserve

The designated tangible fixed asset reserve of £6.6m (2015 - £5.7m) represents the value of unrestricted reserves which are invested in the DBF's operating fixed assets (primarily parsonage houses) which are not readily available to be liquidated.

Diocesan Loan Fund

The designated Diocesan Loan Fund of £1m was created in 2014 by transfer from the General Fund reserves. It provides loans to PCCs for major capital projects where other loan funding is not available.

Mission Development Fund

In 2015 Diocesan Synod approved the creation of a designated Mission Development Fund by transfer of £1m from the DBF Unrestricted General reserve to resource the developing strategy into the future and enable applications to the National Church's Strategic Development Fund. At 31 December 2016 the balance on the fund was £797,000, all of which has been committed for future expenditure.

Other designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. At 31 December 2016 these totalled £0.2m (2015 - £0.2m) These designated reserves are reviewed on an annual basis and returned to the general fund in the event that there is no further need to retain them for the purpose of their designation. A description of each reserve together with the intended use of each reserve is set out in note 24.

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

Restricted and Endowment Funds

As set out in note 24 the DBF holds and administers a large number of restricted and endowment funds. As at 31 December 2016 restricted funds totalled £2.3m (2015 £2.6m) and endowment funds totalled £81.5m (2015 - £77.1m). None of these funds are available for the general purposes of the DBF.

Grant making policy

The Memorandum of Association of the DBF explicitly permits the DBF to make grants in pursuance of its objects, and the nature of grants made in 2016 is indicated in note 12.

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry. The DBF transferred £255,000 from the Mission Development Fund (2015 - £275,000 from the General Fund) to the FCG to assist parishes with 26 mission projects during the year.

The FCG committee considers grant applications from parishes during the year and awards grants according to its published criteria from the funds allocated annually.

Grants are paid to other connected charities and to other charitable projects which appear to the DBF to support the furtherance of the DBF's objects.

Investment Policy

The DBF is empowered by its Memorandum of Association to invest monies not immediately required for its purposes. In addition, the DBF acts as trustee of a number of trust funds, and these must be invested in accordance with the related trusts. The DBF's policy is to review

regularly the assets of each fund for which it is responsible, in relation to the purposes of each fund, and to identify appropriate investment vehicles. Note 25 provides details of the assets of each fund, together with the related purposes, and note 18 summarises the movements in investments during the year.

The DBF's investment policy is based on two key principles:

Ethical Investment

The DBF follows the guidance of the Church of England Ethical Investment Advisory Group. In practice, this means ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

Long-term Responsibilities

The Trustees are aware of their long-term responsibilities in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Investment policy for long-term funds is aimed primarily at generating a sustainable income with due regard to the need for the preservation of capital value and the possible need to realise investments to meet operational needs.

Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital, and are held in listed and unlisted equities and funds and fixed interest bonds.

The Investment Committee meets with the investment fund managers CCLA and Charles Stanley at least annually to review the performance of the funds and to ensure the investments match the DBF's risk profile. →

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

Programme related investments

The DBF provides loan finance to PCCs and related projects through two loan initiatives:

CCLA backed Diocesan Loan Scheme

This scheme allows PCCs to obtain loan finance from the DBF at low interest rates over 5 or 10 year periods to facilitate building or other projects which further the mission of the church. Loans range from £10,000 to £150,000. The DBF has received loan funding from CCLA totalling £1m which is available to provide these loan facilities. At 31 December 2016 the total loans outstanding from parishes was £624,300 and a further £227,000 had been committed.

Diocesan Loan Fund

The DBF has designated a £1m reserve to allow further loans to be extended to PCCs where CCLA funds are not available. These loans are repayable over variable periods and are at a low interest rate. At 31 December 2016 loan balances were £275,000 and a further £630,000 had been committed to future projects.

The DBF considers that these investments assist PCCs to achieve the mutual charitable objects of furthering the mission of the church within the Diocese, and complement the PCCs use of grant funding and local fundraising including pledged donations which are received over a number of years.

B6 Principal Risks And Uncertainties

The Trustees have a risk management strategy to ensure that the principal risks have been reviewed and that systems and procedures have been established to manage those risks. The Trustees delegate to the Audit Group the task of ensuring that risks are reviewed and managed. The Audit Group has defined the risks in

various areas, reported on the measures in place to manage and monitor these risks, and implemented procedures and controls designed to minimise any potential impact on the DBF should any of the risks materialise. A risk register has been compiled and is regularly reviewed and updated by the Audit Group. The Audit Group reports to Trustees whether it is satisfied with its findings and makes recommendations as to areas for further work in subsequent years. The trustees review the risk register at least annually as part of the corporate risk management strategy.

The main risks identified, their impact and the steps taken to mitigate these risks are:

1. Reductions in church membership, leading to higher parish share requests per member and unsustainability of the parish share model. This risk is being mitigated by
 - active monitoring of parish finances to ensure sustainability issues are identified promptly and central support from Parish Development advisers and the DBF Finance Team to assist parishes to address their financial stability
 - a realistic diocesan strategic plan for numerical and spiritual growth backed by a sustainable 5 year rolling resources plan to support the strategic initiatives.
 - ensuring suitable and talented clergy are recruited to fill parish vacancies in a timely manner to deliver the diocesan growth strategy by: (i) the work of Deanery Mission and Pastoral Groups who review missional priorities and clergy deployment; (ii) ensuring that parochial posts are presented realistically and attractively to potential applicants; (iii) diocesan support during the vacancy to ensure the mission and ministry of the parish continues; (iv) diocesan support throughout the recruitment process; (v) ensuring that

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

parsonages are appropriately situated and well maintained; (vi) the strategic plan to increase by 50% both ordinands and curates intakes to ensure that sufficient clergy are trained to replace those retiring;

- development of new models and training for lay leadership to work alongside clergy.
2. Failure of safeguarding of children and vulnerable adults, leading to reputational damage and financial claims.

This risk is mitigated by

- the robust safeguarding policy and procedures adopted by the Diocese which is communicated and followed at all levels.
- highly skilled safeguarding officers who ensure all staff and volunteers are properly checked and trained and that parishes follow the same procedures.
- a dedicated safeguarding group who review all potential safeguarding issues and ensure the statutory and reporting responsibilities of the DBF are fulfilled.

C Structure And Governance

C1 Summary information about the structure of the Church of England

The Church of England is organised as two provinces; each led by an archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses of which there are 41 in England. Each diocese in England is divided into parishes. Each parish is overseen by a parish priest (usually called a Vicar or Rector). From ancient times through to today, they and their bishop are jointly responsible for the 'cure of souls' in their parish. Her Majesty the Queen, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and deans

of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally-led (there are over 100 bishops including Diocesan Bishops and Assistant and Suffragan Bishops). It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The Three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a sense of direction to the Church nationally and support the Church locally in parishes and dioceses. Its goals are: Contributing to the Common Good; Going for Growth (both numerically and spiritually) and Reimagining Ministry (both lay and ordained).

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for the clergy. The stipend, housing and office costs of the Diocesan Bishop are met by the Church Commissioners. In the case of the Suffragan Bishop, the stipend and office costs are met by the Church Commissioners with the housing costs being met by the DBF. →

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pension authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations. The Pensions Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Pensions Board its central responsibilities for retirement welfare, the Pensions Board works in close co-operation both with the Archbishops' Council and with the Church Commissioners.

The Cathedral

The Cathedral is the mother church of the diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. For Wells Cathedral copies of its trustees' report and financial statements may be obtained from the Cathedral Office, Chain Gate, Cathedral Green, Wells BA5 2UE.

The information about General Synod, the Church Commissioners, the Archbishops' Council and Wells Cathedral is included as background only. The financial transactions of these bodies do not form part of these financial statements.

The Diocese

i) Diocesan Synod

The statutory governing body of the diocese is the Diocesan Synod which is elected with representation across the

diocese with broadly equal numbers of clergy and lay people meeting together with the Diocesan and Suffragan bishops. Elections occurred during 2015 for the 2016 to 2018 triennium.

Its role is to:

- consider matters affecting the Church of England in the diocese;
- act as a forum for debate of Christian opinion on matters of religious or public interest;
- advise the bishop where requested;
- deal with matters referred by General Synod;
- provide for the financing of the diocese.

ii) Deanery Synod

A Deanery Synod has two houses, laity and clergy, and its role is to:

- respond to requests from General Synod;
- give effect to the decisions made by the Diocesan Synod;
- consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- raise with Diocesan Synod such matters as it considers appropriate;
- elect members of the deanery to the Diocesan Synod and of the diocese to General Synod.

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

iii) The Bishop's Council

Under the standing orders of the Diocesan Synod, Bishop's Council has the following functions:

- to plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion;
- to initiate proposals for action by the Synod and to advise it on matters of policy;
- to advise the Diocesan Bishop on any matter;
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees;
- to carry out such functions as the Synod may delegate to it.

A further important function of the Council is:

- to review and co-ordinate diocesan policy and strategy and especially "Living the Story, Telling the Story"

Since 1 April 2008 the members of the Bishop's Council have also acted as:

- the board of directors and trustees of the DBF;
- the membership of the Diocesan Mission and Pastoral Committee, a statutory body reviewing the arrangements for pastoral supervision and advising the diocesan bishop accordingly.

Elections occurred during 2015 for the 2016 to 2018 triennium.

iv) Parochial Church Council (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically each parish has one parish church. The PCC is made up of the incumbent or priest-in-charge as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a charity, but those with annual income below £100,000 are currently excepted from the need to register with the Charity Commission: all others are now required to register. Except where shown, the transactions of PCCs do not form part of these financial statements.

v) Pastoral Units

A benefice is a parish or group of parishes served by an incumbent or priest-in-charge who typically receives a stipend and the benefit of free occupation and use of a parsonage house from the diocese for carrying out spiritual duties.

A deanery is a group of parishes over which a rural dean has oversight and an archdeaconry is a group of deaneries for which an archdeacon is responsible. There are nineteen deaneries and three archdeaconries in the diocese.

The diocese is then the principal pastoral, financial and administrative resource of the Church of England, encompassing the various archdeaconries under the spiritual leadership of the Diocesan Bishop.

The Diocese of Bath & Wells was created in 909. It covers an area of 1,614 square miles and has a population of approximately 939,000. There are 561 Anglican churches in 468 parishes and 178 benefices within the diocese served by 185 full-time and →

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

13 part-time stipendiary clergy during the year, as well as non-stipendiary clergy, readers and lay ministers.

vi) Diocesan Board of Education (DBE)

The DBE is constituted under the regulations as set in the Diocesan Board Measure 1991. The governance structure for the DBE was changed from 1 January 2016 to enable more effective and representational governance.

DBE members include current educational practitioners, diocesan clergy and individuals with skills in finance, HR, leadership and public relations:

- The Diocesan Bishop (or a person nominated by the Diocesan Bishop)
- 2 further nominations by the Diocesan Bishop
- The Diocesan Director of Education
- 8 persons appointed with the approval of Diocesan Synod

- Up to 4 co-opted Members appointed by DBE members

The term of office for non ex-officio appointments is three years.

The DBE meets three times a year in March, July and December. An additional meeting with Bishop's Council occurs in November.

Five operational sub-groups of the DBE meet more regularly and support the staff of the diocesan education department:

- Executive Support Group
- School Effectiveness Working Group
- School Organisation Working Group
- Children & Young People Working Group
- Governance Working Group

The DBF (incorporating the DBE) supports 181 Church of England designated schools serving approximately 35,100 children and their families.

	Total	VC	VA	B&W MAT	Other MATs
Primary (infant, junior and first schools)	172	104	37	18	13
Secondary (middle and high schools)	9	1	1	0	7
Total – 2016	181	105	38	18	20
Total – 2015	180	101	45	13	21

There are an increasing number of different models of school organisation, reflecting the move to more collaborative working between schools. In the Diocese, as well as Voluntary Aided (VA) and Voluntary Controlled (VC) schools, there are now nine Multi Academy Trusts (MATs) with church schools in them, including the Bath & Wells Diocesan Academies Trust

(a separate corporate legal entity), operating as the Bath & Wells Multi Academy Trust (B&W MAT). This was originally set up to support underperforming church schools in economically disadvantaged areas, but is expanding to include good and outstanding schools in order to better facilitate school to school support. It currently serves approximately 4,800 pupils.

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

C2 Organisational and decision making structure

The company, The Bath & Wells Diocesan Board of Finance (DBF), was incorporated on 6 March 1915 as a company limited by guarantee (No. 139557) and its governing documents are its Memorandum and Articles of Association. The DBF is registered with the Charity Commission (No. 249398).

The company was formed to manage the financial affairs and hold the assets of the diocese. Its principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Bath & Wells.

Governance and policy of the DBF is the responsibility of the Trustees, who are directors of the company and trustees for the purposes of charity law.

Since 1 April 2008 the members of the Bishop's Council (which is the standing committee of the Diocesan Synod) have been the Board of Directors (the Board) of the DBF, and the members of the Diocesan Synod have been the members of the DBF. Additionally, there is the Finance Group of the Bishop's Council, acting for and assisting the Board in its more detailed work. The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by an Assistant Diocesan Secretary, Head of Finance and Operations, HR Adviser, Communications Manager and their respective staff. The Diocesan Secretary also meets regularly with the three Archdeacons, and with heads of the main departments (Ministry for Mission and Education) in a Principal Officers' Group.

The statutory governing body of the diocese is the Diocesan Synod, which is an elected body with representation from all parts of the diocese. Its legal basis is the Synodical Government Measure 1969. Membership

consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in deanery synods, lay persons elected by the houses of laity in deanery synods, up to five persons who may be co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the Diocesan Bishop. The Diocesan Synod normally meets three times a year during March, July and October.

C3 Trustee recruitment, selection and induction

The Board includes:

- Ex-officio Trustees
- Trustees who have been elected by Synod to serve for three years, and
- Trustees appointed by the Bishop for the same term.

All new Trustees are given an induction pack with key information about the DBF, their role as Trustees and their role as company directors. All Trustees receive induction training when first appointed and receive ongoing training, as appropriate.

Some senior staff have job titles incorporating the title 'Director' but they are not directors of the company for the purposes of company law.

C4 Remuneration of key management personnel

Emoluments of higher paid employees are determined by the Conditions of Service Group. Remuneration is set following a remuneration policy which includes regular appraisals, and remuneration and salary benchmarking. The policy has been approved by the Board. Details of the aggregate remuneration of key management personnel is shown in note 14 to the accounts. →

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

C5 Funds held as Custodian Trustee

The DBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the DBF does not control them, and they are segregated from the DBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £9.7m at 31 December 2016 (2015 - £8.9m), are available from the DBF on request, and are summarised in note 30. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the DBF.

C6 Funds held on behalf of schools

The DBE is incorporated within the DBF and receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The DBE administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the DBE and as such do not form part of these financial statements. The amount held at 31 December 2016 was £708,328 (2015 - £772,497).

D Trustees' Responsibilities

D1 Trustees Responsibilities for Annual Reports and Accounts

The Trustees are responsible for preparing the Trustees' Report, incorporating the Strategic Report, in accordance with applicable law and regulations.

Company law requires the Trustees (in their capacity as directors) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the net income or expenditure of the company for that year.

In preparing those financial statements the trustees are required to:

- select the most suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charity Statement of Recommended Practice (SORP) 2015, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the corporate and trust assets of the company and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

D2 Statement of disclosure to the auditors

The trustees have taken all the necessary steps to ensure that they are aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information.

The Bath & Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2016

As far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware.

D3 Appointment of auditors

A resolution to reappoint Haysmacintyre as auditors to the company and to authorise the Trustees to fix their remuneration will be proposed at the Annual General Meeting.

No trustee had any beneficial interest in the company during 2016. The names of the Trustees (who also act as directors) who served during the period 1 January 2016 to 20 June 2017 are shown on Page 19. Trustees' remuneration and expenses are detailed in Note 13 to the accounts.

On behalf of the Board

N G May
Diocesan Secretary

20 June 2017

H T Musselwhite
Chair

The Bath & Wells Diocesan Board of Finance

E Legal and Administrative Details

Registered Office	The Old Deanery Wells Somerset BA5 2UG
Telephone and Fax	(01749) 670777 (T); (01749) 674240 (F)
E-mail	general@bathwells.anglican.org
Web site	www.bathandwells.org.uk

Chairs

DBF Chair	Mr H T Musselwhite BA FKC
DBF Vice-Chair and Chair of the Investments Committee	Mr N J Crocker ACIB
Chair of the Audit Group	Mr J P Allday FCA

Officers

Diocesan Secretary	Mr N G May MBA FCA
Assistant Diocesan Secretary	Mr P M Evans BA (Hons) ACIS
Head of Finance and Operations	Mrs I C Taylor MA FCA DChA
Diocesan Surveyor	Mr P E Toseland ARICS
Communications Manager	Ms G Buzzard (maternity leave to 31 October 2016)
Acting Communications Manager	Mrs L Willmot (to 1 November 2016)
HR Adviser	Miss M Webber
Safeguarding Adviser	Ms G Armstrong
Strategic Programme Manager	Revd C Peer (from 1 October 2016)

Agents

Solicitor and Diocesan Registrar	Mr R Callaby LLB, 14 Market Place Wells Somerset BA5 2RE
Consultant Land Agents	Greenslade Taylor Hunt 1 High Street Chard Somerset TA20 1QF
Auditors	haysmacintyre 26 Red Lion Square London WC1R 4AG
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset BA5 2AD Lloyds Bank PLC 47 Milsom Street Bath BA1 1DN. CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Investment Managers	Charles Stanley and Company Ltd 55 Bishopsgate London EC2N 3AS CCLA Investment Management Limited Senator House 85 Queen Victoria St London EC4V 4ET
Insurance Advisers	Arthur J Gallagher Station Square 1 Gloucester St Swindon SN1 1GW

The Bath & Wells Diocesan Board of Finance

F Trustees

1 January 2016 to 20 June 2017

The members of the Bath & Wells Diocesan Synod are members of the DBF. Similarly, members of the Bishop's Council are directors and trustees of the DBF.

The Bishop's Council consists of the following members:

- Ex-officio – The Diocesan Bishop (The President), The Suffragan Bishops, The Archdeacons, The Dean of Wells, The Vice-Presidents (Chairs of Diocesan Synod House of Clergy and Laity)
- Nominated – three lay members nominated by The President, including the Chairs of the DBF and DBE
- Elected – five members from each Archdeaconry (two clergy and three lay)

The Bishop's Council appoints the Finance Group with delegated powers to manage the operational financial affairs of the DBF.

The following served as Directors and Trustees for the period from 1 January 2016 to 20 June 2017

Ex Officio

The Rt Revd P Hancock
The Rt Revd R E Worsley
The Venerable A J Piggott
The Venerable J P C Reed
(resigned 30 June 2016)
The Venerable N A Sullivan
(resigned 30 September 2016)
The Venerable S J Hill
(appointed 1 October 2016)
The Venerable Anne Gell
(appointed 20 May 2017)
The Very Revd J H Davies
(appointed 20 November 2016)
The Revd Prebendary S Stuckes
(resigned 11 March 2017)
The Revd J Haslam
(appointed 12 March 2017)
Mrs M E Masters

Diocesan Bishop's Nominees

Mr H T Musselwhite BA FKC
The Revd S J Robinson
Mr R Norman
(appointed 1 April 2016)

Elected

Bath Archdeaconry
The Revd J L Chamberlain
(resigned 6 March 2017)
The Revd C D North
Mr N J Crocker
Mrs J A Humphreys
Mr M Tedstone
The Revd S Buddle
(appointed 27 March 2017)

Wells Archdeaconry
The Revd B S Faulkner
The Revd D Greenfield
Ms C M Baron
Mr T C Hind
Mr C R Jenkins

Taunton Archdeaconry
The Revd C Ralph
The Revd Dr A Youings
(appointed 11 January 2016)
Mrs S G Bult
Mrs K Cannell
Mr S Grimshaw

Independent Auditor's Report to the Members of The Bath & Wells Diocesan Board of Finance

We have audited the financial statements of The Bath & Wells Diocesan Board of Finance for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Adam Halsey (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

20 June 2017

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and its net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

- The information given in the Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report (which incorporates the strategic report and the directors' report).

Matters on which we are required to report by exception

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

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

26 Red Lion Square
London
WC1R 4AG

The Bath & Wells Diocesan Board of Finance Statement of Financial Activities

For the year ended 31 December 2016

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2016	Total Funds 2015
	Note	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish Contributions	2a	9,600	-	-	-	9,600	9,460
Archbishops' Council		-	-	101	-	101	66
Other donations	2b	140	-	183	-	323	307
Charitable activities	3	807	-	-	-	807	861
Other activities	4	324	-	46	-	370	439
Investments	5	1,602	8	152	-	1,762	1,478
Other Income	6	296	-	69	446	811	1,103
Total Income and endowments		12,769	8	551	446	13,774	13,714
Expenditure on							
Raising funds	7	167	1	5	135	308	345
Charitable activities	8	11,309	378	937	-	12,624	12,307
Writeback of impairment	17	(55)	-	-	(1,795)	(1,850)	-
Total Expenditure		11,421	379	942	(1,660)	11,082	12,652
Net income / (expenditure) before investment gains / (losses)		1,348	(371)	(391)	2,106	2,692	1,062
Net gains on investments	9	243	20	45	2,120	2,428	4,160
Net income / (expenditure)		1,591	(351)	(346)	4,226	5,120	5,222
Transfer between funds	15	(939)	1,009	26	(96)	-	-
Other recognised gains							
Remeasurement gains on defined benefit pension schemes	28	-	-	-	310	310	160
Net movement in funds		652	658	(320)	4,440	5,430	5,382
Total funds brought forward		5,167	7,928	2,607	77,055	92,757	87,375
Total funds carried forward	24	5,819	8,586	2,287	81,495	98,187	92,757

All activities derive from continuing activities. The notes on pages 25-57 form part of the financial statements

The Bath & Wells Diocesan Board of Finance
Income and Expenditure Account
For the year ended 31 December 2016

	Total 2016	Total 2015
	£'000	£'000
Total income	13,328	12,733
Total expenditure	12,742	12,518
Net operating income for the year	586	215
Net gains / (losses) on investments	308	(99)
Net income for the year	894	116
Other comprehensive income:		
Remeasurement gains on defined benefit pension schemes	-	226
Total comprehensive income	894	342

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

The Bath & Wells Diocesan Board of Finance
Balance Sheet
For the year ended 31 December 2016

Company No.139557	Note	2016 £'000	2015 £'000
Fixed Assets			
Intangible assets	16	6	19
Tangible assets	17	58,462	54,791
Investments	18	43,494	40,544
		101,962	95,354
Current Assets			
Stock		4	3
Debtors	19	2,635	2,430
Assets held for resale	20	150	215
Cash on deposit	21	299	919
Cash at bank and in hand	21	1,412	2,901
		4,500	6,468
Creditors: amounts falling due within one year	22	(1,770)	(1,990)
Net Current Assets		2,730	4,478
Total Assets Less Current Liabilities		104,692	99,832
Creditors: amounts falling due after more than one year	22	(1,552)	(1,287)
Pension scheme liabilities	28	(4,953)	(5,788)
Net Assets		98,187	92,757
Funds			
Endowment funds		81,495	77,055
(Including revaluation reserve of £18,599k (2015 - £17,632k))			
Restricted income funds		2,287	2,607
(Including revaluation reserve of £95k (2015 - £71k))			
Unrestricted income funds:			
General funds		5,819	5,167
(Including revaluation reserve of £516k (2015 - £349k))			
Designated funds		8,586	7,928
(Including revaluation reserve of £32k (2015 - £23k))			
Total Funds	24	98,187	92,757

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 20 June 2017 and signed on behalf of the Board by:

Rt Revd P Hancock
Trustee

Mr H T Musselwhite
Trustee

The Bath & Wells Diocesan Board of Finance
Cash Flow Statement
For the year ended 31 December 2016

	2016 £'000	2015 £'000
Net cash (outflow) from operating activities	(2,346)	(854)
Cash flows from investing activities		
Dividends, interest and rent from investments	1,615	1,383
Proceeds from the sale of:		
Tangible fixed assets	2,041	3,531
Fixed asset investments	1,861	2,284
Purchase of:		
Tangible fixed assets for the use of the DBF	(3,225)	(2,534)
Fixed asset investments	(2,385)	(2,442)
Net cash provided by investing activities	(93)	2,222
Cash flows from financing activities		
Loans repaid by the DBF	(870)	(249)
New loans received by the DBF	1,200	336
Net cash provided by financing activities	330	87
Change in cash and cash equivalents in the year	(2,109)	1,455
Cash and cash equivalents at 1 January	3,820	2,365
Cash and cash equivalents at 31 December	1,711	3,820
Reconciliation of net income to net cash flow from operating activities		
Net income before investment gains	2,692	1,062
Adjustments for:		
Depreciation and amortisation	68	81
Investment income	(1,615)	(1,383)
Write back of fixed asset impairment	(1,850)	-
Notional interest in Present Value calculation	(147)	(95)
Revaluation of Financial Instruments	(200)	-
Repayment of loans advanced	328	424
Advancement of loans	(336)	(67)
Repayment of pension schemes net of remeasurement costs	(525)	(504)
Gain on disposal fixed assets	(692)	(983)
Gain on disposal Redundant churches	67	-
(Increase) / decrease in debtors	(23)	23
(Decrease) / increase in creditors	(153)	517
(Increase) in stocks	(1)	-
Increase in grants approved but not made	41	71
Net cash used in operating activities	(2,346)	(854)

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

1. Accounting Policies

The financial statements have been prepared under the historical cost accounting rules modified to include the revaluation of investments, and in accordance with SORP 2015, the FRS102 accounting standard and the Companies Act 2006. The DBF is a Public Benefit Entity as defined by FRS102.

- (i) Investment properties are revalued every five years. Any permanent diminution is taken to the income and expenditure account for the year; and
- (ii) No depreciation or amortisation is provided in respect of freehold investment properties.

This treatment, as regards the DBF's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the trustees consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

The principal accounting policies and estimation techniques are as follows.

(a) Income

All income is included in the SOFA when the DBF is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- (i) **Parish Share** is recognised as income of the year in respect of which it is receivable. Amounts undertaken to be

paid by the parishes are only accrued if either payment is received by 28 February in the following year or there has been a definite commitment to pay.

- (ii) **Rent receivable and parochial fees** are recognised as income of the year to which they relate.
- (iii) **Interest and dividends** are recognised as income when receivable, in the case of dividends that is when the DBF's right to receive the dividends has been established (i.e. when the distribution has been declared).
- (iv) **Donations, grants and legacies** are recognised when receivable (except in the case of any grants with pre-conditions of entitlement specified by the donor which have not been met at the year end. These are included as creditors to be carried forward to the following year).
- (v) **Gains on disposal of fixed assets** for the DBF's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
- (vi) **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and related expenditure are both included in the unrestricted column of the SOFA for the sake of greater clarity and simplicity in financial reporting.

(b) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to that category. →

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

- (i) **Costs of raising funds** are costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
- (ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and Church of England schools in the diocese.
- (iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the DBF, such grants being recognised as expenditure when the related conditions are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- (iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated primarily on the basis of head count.
- (v) **Pension contributions.** The DBF's staff are members of the Church Workers' Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme. The pension costs charged as resources expended represent the DBF's contributions

payable in respect of the year, in accordance with FRS102. Deficit funding for the pension schemes to which the DBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year. Further details are given in note 28.

(c) Intangible fixed assets

Computer software which is separable from the operation of computer hardware is classified as intangible assets in accordance with FRS102 and is amortised to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other software over their expected useful economic lives on a straight line basis at a rate of 25% per annum.

(d) Tangible fixed assets and depreciation

- (i) **Investment properties**
Any properties which are held for investment purposes and rented out have been included at their fair value. A desktop valuation is carried out annually by Greenslade Taylor Hunt, with a full valuation carried out every five years.
- (ii) **Parsonage houses**
The diocese has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The DBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

such properties at their cost or estimated market value at time of acquisition if received by gift or transfer.

Depreciation is not provided on the foregoing properties listed in (i) and (ii) above for the following reasons:

Any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value.

Buildings are maintained in a sound condition by a continual repairs and improvements programme, the cost of which is charged to the income and expenditure account. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount and any movements on the impairment are reflected in the SOFA.

Other tangible fixed assets

Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their expected useful economic lives on a straight line basis at the following rates:

Solar PV Panels	4% and 5% per annum
Office Equipment	20% per annum
Computer Equipment	25% per annum

(e) Fixed Asset Investments

Fixed Asset Investments have been included on the following bases:

Listed investments at their quoted bid price at the balance sheet date.

Unlisted investments at their market value at the balance sheet date, as provided by the CCLA Investment Management Limited.

Investment land and property is included at market value based on its existing use.

It is the policy of The DBF to carry out a valuation of the investment properties every five years to establish market value. In the intervening period the DBF adjusts the market value in the light of information available if this is material. All Glebe investment land and property were valued at 31 December 2015 by the DBF's professional agents. Properties transferred from Tangible Fixed Assets to Investment Properties have been included at market value.

Gains and losses on disposal and revaluation of investments are credited or charged to the appropriate fund in the SOFA.

Investments held by The DBF as Custodian Trustee are not included in these financial statements as assets of the DBF but are listed in note 30.

(f) Stocks

Stocks are stated at the lower of cost and net realisable value.

(g) Financial Instruments.

All interest-bearing loans and borrowings which are basic financial instruments and which are due for repayment in more than 1 year are recognised at the present value of cash receivable / payable (including interest). The DBF discount rate of 4% is used which is the rate of return which can reasonably be expected from DBF long term investments and the effective interest rate amortisation is included in finance revenue/expenditure in the SOFA.

Equity Loans are included at market value. →

The Bath & Wells Diocesan Board of Finance

Notes to the Accounts

For the year ended 31 December 2016

(h) Funds

The DBF's funds have been grouped under the following headings:—

Unrestricted Funds

Unrestricted funds are available for any charitable purpose of the DBF. Designated funds are a type of unrestricted fund which the DBF has earmarked for a particular purpose. There are no legally binding restrictions and the DBF is free to redesignate should this be appropriate.

Restricted Funds

Restricted funds are subject to specific conditions imposed by the donor, these conditions being legally binding upon the DBF.

Endowment Funds

Permanent endowment funds are a particular type of Restricted Fund which must be held on trust to be retained for the benefit of the DBF as a capital fund. Where the DBF must permanently maintain the whole of the fund it is known as a permanent endowment. Where there is discretion to convert endowed capital into income it is known as expendable endowment.

(i) Key areas of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- Useful economic lives of fixed assets
- Basis of non-depreciation of fixed assets
- Investment land/properties revaluation

a. Useful economic lives of fixed assets

Other than investment properties and houses provided for clergy, fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed depending on a number of factors including product life cycles and maintenance programmes. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

b. Basis of non-depreciation of fixed assets

Depreciation is not provided on investment properties and houses held for clergy use for the reasons stated above (note 1d).

c. Revaluation of agricultural (glebe) and other land

The Group carries its agricultural (glebe) and other land at valuation with changes in value being recognised in the SOFA. A full revaluation of agricultural land is completed every five years. In intervening years approximately 20% of the land is valued annually and the average adjustment percentage is then applied to the full land portfolio, excluding land under offer which is valued at the offered sales value.

d. Assumptions underlying the pension liabilities

The DBF has recognised liabilities in respect of deficit contributions to the two Church of England pension schemes in which it participates. The measurement of both liabilities is affected by a number of assumptions which are set out in detail in note 28, including discount rates, future contribution rates and the duration of the deficit recovery period.

e. Discount rates used in NPV calculations

The Board considers an appropriate discount rate to be used in NPV calculations is based on the opportunity cost of income foregone from investments.

The Bath & Wells Diocesan Board of Finance

Notes to the Accounts

For the year ended 31 December 2016

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2016	Total Funds 2015
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
2a Parish Contributions						
Parish Share						
Current year's allocation	9,693	-	-	-	9,693	9,588
Additional Payments	-	-	-	-	-	4
Arrears for previous years	13	-	-	-	13	6
Shortfall in contributions	(106)	-	-	-	(106)	(138)
	9,600	-	-	-	9,600	9,460
Total Parish Share receipts represent 99.0% of the allocation (2015 – 98.7%)						
2b Other Donations						
Allchurches Trust	140	-	-	-	140	137
Foundation of St Matthias	-	-	56	-	56	62
Donations, Sponsorships & Legacies	-	-	127	-	127	108
	140	-	183	-	323	307
3 Charitable Activities						
Statutory fees and chaplaincy income	672	-	-	-	672	737
Course fees and other	135	-	-	-	135	124
	807	-	-	-	807	861
4 Other Activities						
Rental income from clergy houses, schools and the Old Deanery	293	-	10	-	303	336
Support services	31	-	36	-	67	103
	324	-	46	-	370	439
5 Investment Income						
Dividends receivable	769	8	121	-	898	889
Interest receivable	127	-	31	-	158	161
Rents receivable	359	-	-	-	359	333
Revaluation of Equity Loans	200	-	-	-	200	-
Notional Interest re net present value	147	-	-	-	147	95
	1,602	8	152	-	1,762	1,478
6 Other Income						
Gain on disposal of properties	179	-	69	446	694	983
Solar PV Panel FIT Income	117	-	-	-	117	116
Other	-	-	-	-	-	4
	296	-	69	446	811	1,103

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2016	Total Funds 2015
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
7 Costs of Raising Funds						
Stockbroker's fees	46	1	5	-	52	52
Value Linked loans interest	12	-	-	-	12	12
Interest cost & expenses: pension schemes	11	-	-	135	146	152
Glebe Land & Clergy Houses letting costs	98	-	-	-	98	129
	167	1	5	135	308	345
8 Charitable Activities						
Contribution to Archbishops' Council						
Training for Ministry	356	-	-	-	356	349
National Church Responsibilities	269	-	-	-	269	263
Grants and provisions	34	-	-	-	34	34
Mission Agency pension contributions	21	-	-	-	21	21
Retired Clergy Housing (CHARM) & Grants	116	-	-	-	116	111
Pooling of ordinand candidates' costs	122	-	-	-	122	79
	918	-	-	-	918	857
Resourcing Ministry and Mission						
Parish Ministry:						
Stipends and Social Security	5,089	-	59	-	5,148	4,993
Pension contributions	1,114	-	-	-	1,114	1,060
Housing costs	1,194	-	374	-	1,568	1,529
Removal, resettlement and other grants	228	-	-	-	228	190
Other expenses	74	-	37	-	111	112
	7,699	-	470	-	8,169	7,884
Support for ministry	2,124	49	306	-	2,479	2,448
Fund for Church Growth	-	328	74	-	402	463
	9,823	377	850	-	11,050	10,795
Expenditure on Education						
Church Schools: Administration	568	1	87	-	656	655
	11,309	378	937	-	12,624	12,307

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2016	Total Funds 2015
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
9 Gains on Investment Assets						
Unrealised gains after revaluation (*)	242	19	44	2,022	2,327	3,911
Realised gains on disposal	1	1	1	98	101	249
	243	20	45	2,120	2,428	4,160
(*) includes £0.9m in relation to the revaluation of Glebe Agricultural Land (2015 - £3.7m).						
		Activities undertaken Directly	Grant funding of activities	Support Costs	Total 2016	Total 2015
		£'000	£'000	£'000	£'000	£'000
10 Analysis of Resources Expended Including Allocation of Support Costs						
Raising Funds		308	-	-	308	345
Charitable Activities:						
Contributions to Archbishops' Council		356	562	-	918	857
Resourcing ministry and mission		9,305	803	942	11,050	10,795
Education		615	-	41	656	655
Writeback of impairment		(1,850)	-	-	(1,850)	-
		8,734	1,365	983	11,082	12,652
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2016	Total Funds 2015
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
11 Analysis of Support Costs						
Central Administration	909	-	-	-	909	851
Support for Schools	-	-	41	-	41	39
Governance:						
External Audit	14	-	2	-	16	17
Professional Fees	4	-	-	-	4	10
Diocesan and General Synod Expenses	13	-	-	-	13	16
	940	-	43	-	983	933

The Bath & Wells Diocesan Board of Finance

Notes to the Accounts

For the year ended 31 December 2016

	No. of Grants	Total Grants to individuals	Total Institutional Grants	2016	2015
	£'000	£'000	£'000	£'000	£'000
12 Analysis of Grants Made					
a) National Church Responsibilities					
From Unrestricted General funds to:-					
Archbishops' Council, General Synod, etc.	1	-	269	269	263
Training Ordinands	1	-	356	356	349
Grants and Provisions	1	-	34	34	34
Inter-diocesan support of Mission Agency clergy pension contributions	1	-	21	21	21
CHARM	1	-	116	116	111
National Pooling adjustment	-	-	122	122	79
	5	-	918	918	857
b) General Grants					
From Unrestricted General Funds to:-					
Ordinands in training	9	134	-	134	72
Somerset Churches Together	1	-	9	9	6
Bath and West Show Tent	1	-	2	2	2
Other Miscellaneous Grants	3	21	-	21	1
	14	155	11	166	81
From Designated Funds to:-					
PCCs and Deaneries from the Fund for Church Growth:					
Youth Work	4	-	65	65	47
Other Staff	5	-	70	70	45
Building and re-ordering	13	-	136	136	183
Other projects	4	-	6	6	14
Less grants no longer required	(6)	-	(8)	(8)	(10)
	20	-	269	269	279
From Restricted Funds to:					
Zambian Dioceses	1	2	-	2	7
Clergy (including retired and clergy widows)	12	10	-	10	16
	13	12	-	12	23
Total Grants Payable	52	167	1,198	1,365	1,240

The Bath & Wells Diocesan Board of Finance

Notes to the Accounts

For the year ended 31 December 2016

13 Trustees and Related Parties

In 2016 the trusts which are administered from the DBF's registered office paid management charges of £19,581 to the Board (2015 - £31,195).

The Rib Trust made a grant of £36,000 to the Board (2015 - £35,000) towards the Archdeacons' working costs.

The Foundation of St Matthias made a grant to the Diocesan Board of Education of £56,000 (2015 - £56,000) towards the work of the School RE Advisers, Resource Centre and Further Education development.

There were no amounts outstanding at the end of the year.

Trustees' emoluments

No Trustee received any remuneration for services as Trustee, 18 trustees (2015 - 12) were reimbursed with a total of £18,564 (2015 - £17,944) for the cost of travel and subsistence incurred in the course of services performed as trustees in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as Trustees.

Stipends and other benefits received by Trustees in respect of their capacities other than trusteeship, serving as ecclesiastical office holders through the Church Commissioners (at the expense of the DBF unless indicated) were:

Office Holder	Individual	Stipendiary package
Diocesan Bishop	The Rt Revd P Hancock	Funded by the Church Commissioners £42,713 stipend plus defined benefit pension scheme, living accommodation & car for official use
Suffragan Bishop	The Rt Revd R Worsley	Funded by the Church Commissioners £34,850 stipend plus defined benefit pension and car for official use Funded by the DBF: Living accommodation
Archdeacons	The Ven A Piggott) The Ven J Reed) (until 30 June 2016) The Ven S Hill) (from 1 October 2016) The Ven N Sullivan) (until 17 September 2016)	£34,092 - £35,491 stipend plus defined benefit pension scheme and living accommodation
Parochial Ministers	Revd Preb S Stuckes) (until 30 April 2017) Revd S Robinson) Revd J Chamberlain) (until 5 March 2017) Revd C North) Revd C Ralph) Revd A Youings) Revd B Faulkner) Revd D Greenfield)	£25,366 stipend plus defined benefit pension scheme and living accommodation or £8,060 housing allowance

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

13 Trustees and Related Parties (continued)

In total 12 (2015 - 7) trustees received stipends and pension contributions as follows:

	2016 £	2015 £
Stipends	296,978	203,619
Pension Contributions	101,645	68,347
	398,623	271,966

The value of church provided housing in 2016 to the clergy and bishops can not be estimated.

14 Staff and Office Holders

	2016 £'000	2015 £'000
14a Staff Costs		
Staff costs during the year were as follows:		
Wages and salaries	1,739	1,792
Stipends of ordained staff members	3	3
National insurance contributions	159	168
Pension costs	214	225
	2,115	2,188
The average number of employees during the year was as follows:		
Lay Workers	7.2	9.3
Resourcing ministry - support for parish ministry	46.3	47.3
Education	15.1	14.2
	68.6	70.8
The average number of employees during the year, based upon full-time equivalents, was as follows: (*)		
Lay Workers	4.6	6.0
Resourcing ministry - support for parish ministry	37.0	38.8
Education	13.7	12.9
	55.3	57.7

(*) Including 3.1 (2015 - 2.2) staff whose time was recharged or funded by external organisations

The numbers of staff whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows:

	2016	2015
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

Pension contributions of £13,654 (2015: £13,520) were made for these employees.

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

14a Staff Costs (continued)

Remuneration of key management personnel

Key management personnel, who are members of the Principal Officers Group, are those deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2016 they were:

Principal Officer of:	Role	Office Holder
Support Services	Diocesan Secretary and Company Secretary	Nicholas May
Education	Director of Education	Theresa Gale
Mission } Ministry } To 31/08/2016: } } } } } }	Diocesan Missioner Director of Learning Communities Director of Clergy Development Director of Vocations and IME (Phase 2)	Canon Roger Medley (to 31/01/16) Revd Canon Dr. Graham Dodds Revd Preb Simon Hill Revd Sue Rose
Ministry for Mission (From 01/09/2016)	Head of Ministry for Mission	The Rt Revd R Worsley (stipend paid by Church Commissioners)

Remuneration, pension contributions and expenses for these 6 employees (2015 - 6) in the above capacities were as follows:

	2016 £	2015 £
Salaries / Stipends	193,971	292,646
Pension Contributions	26,013	48,227
	219,984	340,873
Expenses	7,124	10,369

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

14b Office Holders	2016		2015	
	Full-time	Part-time	Full-time	Part-time
Office holders not employees	No.	No.	No.	No.
The average number of stipendiary clergy holding parochial or archidiaconal posts in the diocese	185	13	182	11
At a cost of:	£'000		£'000	
Stipends & Housing Allowances	4,826		4,688	
Social Security contributions	392		378	
Pensions contributions (note 28 (b))	1,114		1,060	
	6,332		6,126	

The increase between 2015 and 2016 of 3 full time and 2 part time stipendiary clergy is primarily due to an average decrease in vacant posts of 5. The average level of vacancies in 2016 was estimated at 16.4 (2015 - 21.7), being 7.4% of all posts (2015 - 10.3% of all posts).

15 Analysis of Transfers Between Funds	Unrestricted Funds		Restricted Funds	Endowment Funds
	General £'000	Designated £'000	£'000	£'000
Parsonage houses buy/sell - net proceeds/costs	-	-	57	(57)
Transfer from unrestricted to designated assets	(828)	828	-	-
Transfer to Seedcorn Funding reserve	(20)	20	-	-
Transfer to Fresh Expressions Research Fund	(12)	12	-	-
Transfer to Refugees reserve	(8)	8	-	-
Transfer to Clergy Conference reserve	(7)	7	-	-
Transfer to Academies Conversion reserve	(4)	4	-	-
Mission Development Fund (incl. ALMs)	49	(49)	-	-
Fund for Church Growth	(189)	189	-	-
Management charges (FCG, Schools, etc.)	41	(10)	(31)	-
Management charges on house sales	38	-	-	(38)
Management charges on Glebe land sales	1	-	-	(1)
	(939)	1,009	26	(96)

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

16 Intangible Fixed Assets	Computer Software
	£'000
Cost	
At 1 January 2016	163
Additions	-
At 31 December 2016	163
Amortisation	
At 1 January 2016	144
Charge for the year	13
At 31 December 2016	157
Net book value	
At 31 December 2016	6
At 31 December 2015	19

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

17 Tangible Fixed Assets	Freehold/Leasehold Land and Buildings	Solar PV Panels	Office Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2016	56,655	697	246	57,598
Additions	3,161	-	64	3,225
Disposals	(1,594)	-	-	(1,594)
At 31 December 2016	58,222	697	310	59,229
Depreciation and Impairment				
Depreciation at 1 January 2016	-	103	201	304
Impairment at 1 January 2016	2,503	-	-	2,503
Write back of impairment	(1,850)	-	-	(1,850)
Depreciation charge for year	-	30	25	55
Disposals	(245)	-	-	(245)
At 31 December 2016	408	133	226	767
Net book value				
At 31 December 2016	57,814	564	84	58,462
At 31 December 2015	54,152	594	45	54,791
Freehold / Leasehold Land and Buildings	2016	2016	2015	2015
	Houses – No.	£'000	Houses – No.	£'000
Freehold				
Benefice property: Parsonage houses	168	38,838	169	37,461
Glebe property: Curates' houses	27	5,845	23	4,732
Other houses	24	6,699	26	6,260
	51	12,544	49	10,992
Corporate property: Curates' houses	4	878	5	929
Other houses	21	5,060	18	4,121
Houses bought with val. linked loans	4	178	4	178
Zambia house	-	-	1	155
Edginton house	1	281	1	281
	30	6,397	29	5,664
Leasehold				
Long leasehold	1	35	1	35
Total Freehold / Leasehold Land and Buildings	250	57,814	248	54,152

All of the properties in the balance sheet are vested in the Board, except for benefice houses which are vested in the incumbent. Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. Of the total land and buildings at 31 December 2016, all are valued at cost or deemed cost (2015 - all), and none at valuation. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

18 Fixed Asset Investments	Agricultural Land	Other Land & Property	Unlisted Investments	Listed Investments	Total 2016
	£'000	£'000	£'000	£'000	£'000
At 1 January 2016	18,806	843	5,432	15,463	40,544
Additions	-	-	600	1,785	2,385
Disposals	(29)	-	-	(1,730)	(1,759)
Revaluation	854	-	28	1,442	2,324
At 31 December 2016	19,631	843	6,060	16,960	43,494
Cost at 31 December 2016	Not known	Not known	4,146	14,771	
Cost at 31 December 2015	Not known	Not known	3,581	14,336	

	2016	2015
	£'000	£'000
Investments comprise:-		
(i) Listed Investments (Equities)		
UK Investments	13,064	12,124
Non-UK Investments	1,475	1,167
	14,539	13,291
Listed Investments (Unit Trusts)		
UK Investments	160	110
Listed Investments (Fixed Interest)		
UK Investments	2,040	1,851
Non-UK Investments	221	211
	2,261	2,062
Listed Investments Total	16,960	15,463
(iii) Unlisted Investments		
3,251,223 Central Board of Finance of the Church of England Property Fund Shares (2015 - 3,025,524)	4,259	4,088
125,283 Central Board of Finance of the Church of England Investment Fund Share (2015 - 95,037)	1,740	1,286
3,139 COIF Charity Investment Fund Income Shares (2015 - 3,139)	43	39
2,000 Central Board of Finance of the Church of England Fixed Interest Fund Shares (2015 - 2,000)	3	3
Somerset Savings and Loans Ltd	15	15
Bath & Wells Diocesan Education Services Limited	-	1
	6,060	5,432

	2016	2015
	£'000	£'000
(iv) Other Land and Property		
Glebe Property	610	610
Other Land	233	233
	843	843

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

19 Debtors	2016	2015
	£'000	£'000
Due within one year		
a) Parish Share	342	254
b) Central Board of Finance Deposit Fund Loans	117	108
c) Loans to PCCs from Designated Fund or FCG	42	130
d) School Loans	120	127
e) Other Loans	21	34
d) Closed School Expenses and other School debtors	129	146
f) Other Debtors and Prepayments	679	726
g) Equity Loans	485	285
	1,935	1,810
Due after one year		
b) Central Board of Finance Deposit Fund Loans (*)	453	330
c) Loans to PCCs from Designated Fund or FCG (*)	186	204
d) School Loans (*)	38	57
e) Other Loans	23	28
f) Other Debtors and Prepayments	-	1
	700	620
Total debtors	2,635	2,430

(*) these amounts are stated at net present value using a discount rate of 4%

Debtors Notes:

(a) Parish Share

Parish Share debtors comprise balances of requested contributions outstanding which have been paid in full after the year end or where an arrangement to pay has been agreed.

(b) Central Board of Finance Deposit Fund loans

These are loans made by the DBF from the CBF Deposit Fund under the Church Funds Investment Measure 1958 for forward lending to parishes and are therefore shown both in Debtors and Creditors. Loans are normally provided for a period of five or ten years and are repayable by equal annual instalments. The rate

of interest is equivalent to the monthly average rate declared by the CCLA CBF Deposit Fund plus 0.55%.

(c) Loans to PCCs

From Diocesan Loan Fund

These are loans advanced from the £1m designated Diocesan Loan Fund repayable over various terms up to 20 years and at various interest rates. At 31 December 2016 the total present value of balances outstanding was £228,177 and the total non-discounted value £265,295. The significant balances were:

- (i) A £400,000 loan was provided to Nailsea Holy Trinity PCC on 28 October 2010 for the purchase of the former rectory at 2 Church Lane Nailsea upon its sale by →

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

Debtors Notes (continued):

the DBF. The rate of interest on the loan is 1% above the Bank of England base rate, payable annually in arrears. The term of the loan was extended in 2015 to October 2024. The loan is repayable in variable annual instalments and the present value of the balance at 31 December 2016 was £154,376. The DBF holds a legal charge on the property, discharged upon repayment of the loan capital and accrued interest by the PCC.

- (ii) A £225,000 loan was provided to Keynsham PCC on 23 November 2010 for the purchase of the former rectory at 1 The Park, Keynsham upon its sale by the DBF. The rate of interest on the loan is 1% above the Bank of England base rate, payable annually in arrears. The term of the loan was extended in 2013 to the end of 2020 and the total present balance outstanding as at 31 December 2016 was £63,119. The DBF holds a legal charge on the property, discharged upon repayment of the loan capital and accrued interest by the PCC.

From FCG

Loans from the FCG for up to 5 years. At 31 December 2016 the total present value of balances outstanding was £67,410 of which £62,585 were repayable within one year. Interest on outstanding loans is charged at

1% above the CCLA CBF Church of England Deposit Fund Rate.

(d) School Loans

The DBF acts as 'banker' to school governors for capital and repair works at voluntary aided schools. The accounts are paid by the DBF and the costs are recovered from the Department for Education, the Local Education Authority and the governors themselves for their respective liabilities.

(e) Other Loans

These include loans to individuals from restricted charitable funds and staff car loans.

(f) Other Debtors and Prepayments

This figure is made up of sundry debtors, prepayments, accrued interest and dividends, rents recoverable and expenses on closed schools to be recovered upon sale, and accrued bond interest.

(g) Equity Loans

Equity loans are made to retired clergy and clergy spouses to enable them to purchase property on a shared equity basis. At 31 December 2016 the total present value of equity loans advanced amounted to £485,007 in respect of three properties and the total non-discounted value was £285,007 (2015 - £285,007).

20 Assets for Resale

	2016	2015
	£'000	£'000
Closed churches awaiting disposal	150	215

The value represents an estimate of expected sales proceeds receivable

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

21 Cash at Bank and on Deposit	Unrestricted Funds	Restricted Funds	Endowment Funds	2016 Total	2015 Total
	£'000	£'000	£'000	£'000	£'000
Cash on deposit	67	178	11	256	831
Cash at bank and in hand	372	1,040	-	1,412	2,901
Cash held by broker for investment	19	12	12	43	88
	458	1,230	23	1,711	3,820

22 Creditors

	2016	2015
	£'000	£'000
Due within one year		
Central Board of Finance:		
a) Deposit Fund Loans	-	109
Church Schools Fund Loan	-	1
b) Other Loans	66	52
Fund for Church Growth grants approved not yet paid	279	250
Closed Church Schools	386	492
Other Creditors and Accruals	1,039	1,086
	1,770	1,990
Due after one year		
Central Board of Finance:		
a) Deposit Fund Loans (*)	737	577
b) Other Loans	606	512
Fund for Church Growth grants approved not yet paid (*)	31	20
c) Value Linked Loans	178	178
	1,552	1,287

(*) these amounts are stated at net present value using a discount rate of 4%

Creditors Notes:

(a) Central Board of Finance Deposit Fund Loans

These are loans made to the DBF from the Deposit Fund under the Church Funds Investment Measure 1958 for forward lending to parishes. Funds which have been extended to parishes are therefore shown

both in Debtors and Creditors. In 2016 £1m was loaned to the DBF for 10 years on an interest only basis to allow loan funds to be committed and available to be drawn by parishes when required. The present value of this loan was £736,908 at 31 December 2016. The rate of interest is equivalent to the monthly average rate declared by the CCLA CBF Deposit Fund plus 0.55%. →

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

Creditors Notes (continued):

(b) Other Loans

The DBF took two separate loans with NatWest to fund the investments in PV panels in April and June 2013. Interest on the first loan of £240,000 is charged at 2.75% over the base rate. The second loan of £445,000 was a refinancing loan for a Central Board of Finance Deposit Fund loan. Interest on this loan is charged at 2.67% over the base rate.

A £200,000 loan was taken out with NatWest bank in 2016 to finance a house purchase. The term of the loan is 10 years, at a fixed interest rate of 2.67%.

The loans are represented by:-

Freehold land and buildings (note 17)

	2016	2015
	£'000	£'000
	178	178

The Diocesan Annual Report and Financial Statements Guide recommends that the loans should be revalued annually in line with the basis adopted by the Church Commissioners. This is to apply the movement in the relevant nationwide housing index since the purchase

(c) Church Commissioners' Value Linked Loans

The loans are repayable either when the houses concerned are sold or cease to be occupied by a licensed lay worker or clergy spouse whose marriage has broken down. Interest is charged by the Commissioners on the amount loaned initially and borne by the DBF, the rate rising annually by the increase in the Retail Price Index. In 2016 the interest rates charged on the loans ranged between 6.5% and 7.9% (2015 - 6.4% and 7.8%).

date and deduct 15% from the result. The recommendation has not been adopted by the DBF as there are corresponding fixed assets (see note 17) which have not been revalued under the transitional rules within FRS102.

23 Financial Instruments

	2016	2015
	£'000	£'000
Financial assets measured at fair value	23,505	21,180
Financial assets measured at amortised cost	1,404	1,368
Financial liabilities measured at amortised cost	3,129	3,091
Financial liabilities measured at fair value	-	-

Financial assets measured at fair value comprise listed and unlisted investments and value linked loans to parishes.

Financial assets measured at amortised cost comprise trade debtors, other debtors, other loans to parishes and other receivables.

Financial liabilities measured at amortised cost comprise trade creditors, loans, other creditors and amounts held for other bodies.

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

24 Summary of Fund Movements	At 01/01/16	Income	Expenditure	Transfers	Revaluation	At 31/12/16
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds						
(a) General	5,167	11,744	(10,396)	(939)	243	5,819
(b) Diocesan Stipends Fund Income	-	1,025	(1,025)	-	-	-
	5,167	12,769	(11,421)	(939)	243	5,819
Designated Funds						
(c) Tangible Fixed Assets Fund	5,742	-	-	827	-	6,569
(d) Diocesan Loan Fund	1,000	-	-	-	-	1,000
(e) School Improvements Fund	1	-	(1)	-	-	-
(f) Fund for Church Growth	16	1	(196)	179	-	-
(g) Pastoral Care & Counselling Scheme	169	7	(27)	-	20	169
(h) Mission Development Fund	1,000	-	(155)	(48)	-	797
(i) Other Designated	-	-	-	51	-	51
	7,928	8	(379)	1,009	20	8,586
Total Unrestricted Funds	13,095	12,777	(11,800)	70	263	14,405

Notes on Unrestricted Funds:

(a) General Fund

The General Reserve represents those assets held by the DBF for carrying out its general activities. It provides the assets and liquidity for the DBF to carry out its objectives, including statutory compliance, administration of funds and some housing.

(b) Diocesan Stipends Fund (DSF) Income — The DSF Income Account is governed by the Diocesan Stipends Fund Measure 1953. Income is derived from cash and investments (including glebe) representing the Diocesan Stipends Fund Capital Account. It is used to augment the stipends of incumbents.

(c) Tangible Fixed Assets Fund — This represents the value in the Balance Sheet of: Board houses kept for the purpose of housing current and future clergy; solar PV panels on clergy houses and office equipment.

(d) Diocesan Loan Fund - £1m was transferred to this fund in 2014 to allow parishes the possibility of applying for loans to assist with their capital projects and other initiatives.

(e) School Improvements Fund — Income arises from external management fee income which is set aside for the purpose of school improvements.

(f) The Fund for Church Growth (FCG) exists to support local mission and outreach in the diocese.

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

Notes on Unrestricted Funds (continued):

(g) The Pastoral Care and Counselling Scheme was set up in 1993 to provide trained therapists and counsellors to support clergy and their family in the diocese.

(h) Mission Development Fund - Exists to resource the developing strategy into the future and enable applications to the National Church's Strategic Development Fund.

(i) Other designated funds – These funds consists of amounts designated from the General Fund to be spent on specific projects by departments. At 31 December these comprise:

Ministry for Mission: £40,000 for Fresh Expressions research, Pioneer seedcorn funding and refugee work.

DBE: £3,700 for the Academies conversion programme.

Other Diocesan Expenditure: £7,000 towards the 2019 Clergy Conference

Summary of Fund Movements	At 01/01/16	Income	Expenditure	Transfers	Revaluation	Balances at 31/12/16
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds						
(a) Schools Income Fund	877	89	(208)	(30)	-	728
(b) Diocesan Pastoral Account	560	67	(351)	56	-	332
(c) Support of clergy and dependants	142	7	(6)	-	11	154
(d) Retired clergy funds	64	9	(10)	-	-	63
(e) Porlock Wyld Trust	42	4	(2)	-	2	46
(f) Edginton Trust	163	5	(1)	-	-	167
(g) Zambia Link	335	49	(39)	-	-	345
(h) Smith Bequest	271	12	(1)	-	32	314
(i) DBE Restricted Grants	113	6	(37)	-	-	82
(j) Other Restricted	40	303	(287)	-	-	56
Total Restricted Funds	2,607	551	(942)	26	45	2,287

Notes on Restricted Funds:

The income funds of the DBF include restricted funds comprising the above unexpended balances of donations, grants and investment income held on trusts to be applied for specific purposes.

(a) Schools Income Fund — This fund may be used for the same purposes as the Schools Capital Fund (see Expendable Endowments) and may also be used for any of the following:

- The provision of advice, guidance and resources for the management of or education in any relevant school in the diocese. →

The Bath & Wells Diocesan Board of Finance

Notes to the Accounts

For the year ended 31 December 2016

Notes on Restricted Funds (continued):

- The provision of services for the carrying out of any inspection of a school in the diocese required by Part 1 of the School Inspection Act 1996
- To defray the cost of employing staff in connection with
 - the application of income of the relevant trust assets for the above purposes
 - The application of capital or income of the relevant trust assets for any purpose referred to in paragraph 1 of Schedule 36.

By virtue of section 557(10) of the Education Act 1996 a relevant school includes an Academy

- Included in the Schools Income Fund is the balance of monies which arose from the sale of Taunton St Augustine's school. At the year end this was £195,859 (2015 - £308,351).

(b) Diocesan Pastoral Account (DPA) —

The DPA is made up from the sales of churches and parsonage houses which have become redundant under pastoral re-organisation. The purposes of the fund are laid down in Sections 93 and 94 of the Mission and Pastoral Measures 2011; the main ones being:—

- Costs incurred for the purpose of the Measure except for salaries of regular diocesan employees.
- Costs of disposing or maintaining houses or churches vested in the DBF or Commissioners.
- For the benefit of another diocese or transfer to the DSF Capital or Income Fund.

(c) Support of Clergy and Dependants — These are revenue funds made up of trust income and donations specifically given for the relief of clergy, their widows and dependants.

(d) Retired Clergy Funds — These funds are to be used to provide assistance generally to retired clergy.

(e) Porlock Wyld Trust — Accumulated income to be used for the same purposes as the trust capital — see Endowments.

(f) Edginton Trust — Accumulated income to be used in the maintenance of a residence for retired clergy.

(g) Zambia Link — included in these funds is the Coppen bequest, which was given to strengthen the link between the diocese and the five dioceses in Zambia.

(h) Smith Bequest — to be used for lay ministry (excluding training for the Ministry) and in-service clergy training.

(i) DBE Restricted Grants — This fund consists of the balance of restricted grants and donations to the DBE.

(j) Other Restricted — This fund consists of the balance of restricted legacies, grants and donations to the DBF.

The Bath & Wells Diocesan Board of Finance

Notes to the Accounts

For the year ended 31 December 2016

24 Summary of Fund Movements (continued)

	At 01/01/16	Income	Expenditure	Transfers	Revaluations	At 31/12/16
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds						
Expendable Endowment						
(a) Parsonage Houses Fund	37,479	283	1,169	(74)	-	38,857
(b) Schools Capital Fund	615	-	-	-	7	622
(c) Porlock Wyld Trust	86	-	-	-	10	96
(d) Retired Clergy Funds	246	-	-	-	13	259
	38,426	283	1,169	(74)	30	39,834
Permanent Endowment						
(e) Diocesan Stipends Fund Capital	36,329	163	491	(22)	2,172	39,133
(f) Stipends Capital	1,265	-	-	-	150	1,415
(f) General Capital	517	-	-	-	57	574
(f) Support of Ordinands	28	-	-	-	3	31
(g) Crokot and Cowley Trusts	162	-	-	-	(5)	157
(h) Edginton Trust	286	-	-	-	18	304
(i) Other Permanent Endowment	42	-	-	-	5	47
	38,629	163	491	(22)	2,400	41,661
Total Endowment Funds	77,055	446	1,660	(96)	2,430	81,495
All Funds	92,757	13,774	(11,082)	-	2,738	98,187

Notes on Endowment Funds:

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

Expendable Endowments:

(a) Parsonage Houses Fund — This fund represents the value of benefice houses at the Balance Sheet date, together with the Parsonages Building funds held by the Church Commissioners. The houses are used

to provide accommodation for the parochial clergy. The diocese is not free to dispose of the houses except in accordance with the appropriate measures. There is provision for the net proceeds of sale to be applied to either the DPA or DSF capital once a disposal has been effected.

(b) Schools Capital Fund — This fund comprises redundant Church of England school premises, teachers' houses and associated endowments which have been vested in the DBF by Orders under the Education Acts 1944 and 1973. The use of the fund is restricted under Section 17 of the Education Act 1993. The uses include:— the purchase, erection, maintenance and improvement of any school or teacher's house in the relevant area. →

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

Expendable Endowments (continued):

(c) **Porlock Wyld Trust** — The Parsons Hill Estate (since sold) was left to the DBF, as sole trustee, “upon trust for such charitable purposes connected with the ecclesiastical parish of Porlock as the Lord Bishop of Bath & Wells in his absolute discretion thinks fit”. There is no restriction on expenditure of capital.

(d) **Retired Clergy Funds:**

Thatcher Trust — To be used for purchase (or repair/ maintenance) of accommodation for retired clergy or the widows or augmentation of income for such persons. Balance £27,773 as at 31 December 2016 (2015 - £24,998).

Elwell Trust — To be used for the grant or augmentation of pensions to retired clergy at any time beneficed in the diocese. Balance £11,133 as at 31 December 2016 (2015 - £11,133).

Edwards Trust — A property was given to the DBF in 1977, as sole trustee, to be used for the accommodation of retired clergy in the diocese. The property was sold in 2002. A resolution was made by the DBF in April 2000 to modify the purpose of the Trust to provide for clergy housing generally. Balance £220,283 as at 31 December 2016 (2015 - £209,854).

Permanent Endowments:

(e) **Diocesan Stipends Fund (DSF) Capital** — This fund represents the value of glebe property and investments at the balance sheet date, less any inter-fund debtor or creditor. The account is governed by the Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure 1992.

Income arises from the sale of glebe assets, the transfer of parsonage sale money, transfers from the DSF Income Account, as well as gifts, bequests and donations. The main function of the fund is to produce income for the stipends, but it may also be used for other purposes including:— acquiring glebe property, investing in a subsidiary, developing and protecting glebe amenities, investment, discharging loans and levies on glebe, improving parsonage houses and discharging any loans made by the Church Commissioners under the Endowments and Glebe Measure 1976.

(f) **Stipends Capital, General Capital and Support of Ordinands**

These funds are made up of the capital of a number of trusts which are represented by fixed asset investments.

- Stipends Capital income is restricted and can be used only to augment clergy stipends.
- General Capital income is unrestricted and is credited to the General Fund.
- Support of Ordinands Fund income is restricted and can be used only to train candidates for Church ministry.

(g) **Croat and Cowley Trusts** — Two properties were left to the DBF for the purposes of providing accommodation for retired clergy of the Church of England. One property was sold in 1997 and the other in 2001. A resolution was made by the DBF in 2001 to modify the purposes of the trusts so as to make provision instead for assistance generally to retired clergy.

(h) **Edginton Trust** — A property for use as a residence for retired clergy was sold in 2001 and a replacement house was purchased in 2004 at Friary Close, Clevedon.

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

(i) **Other:**

Miss S M Osborne Trust — £1,000 was left to the DBF, as sole trustee, to apply the income “by way of grant in or towards the repair of fabric of any ancient parish church of historic interest and beauty in the diocese”. Balance £1,692 as at 31 December 2016 (2015 - £1,601)

Dorothy Stuckey Trust — £2,000 was left to the DBF, as sole trustee, to apply the income for upkeep of fabric of the parish church at Yatton or toward the maintenance of an assistant clergyman or both. Balance £15,172 as at 31 December 2016 (2015 - £13,656)

Miss M A Rees-Mogg Legacy — The legacy dates from 1935 and the income only can be used for the assistance of necessitous clergy and their widows and orphans. Balance £30,164 as at 31 December 2016 (2015 - £27,150).

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

25 Summary of Assets by Fund	Tang. & Intang. Fixed Assets	Investments	Other Assets	Creditors	Interfund DR / (CR)	Net Assets
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted General Funds	-	5,446	2,694	(2,428)	107	5,819
Designated						
Tangible Fixed Assets Fund	6,804	-	-	(178)	(57)	6,569
Diocesan Loan Fund	-	724	276	-	-	1,000
Pastoral Care & Counselling Scheme	-	187	1	-	(19)	169
Mission Development Fund	-	1,000	-	-	(203)	797
Other Designated	-	-	-	-	51	51
Total Designated Funds	6,804	1,911	277	(178)	(228)	8,586
Restricted Funds						
Schools Income Fund	-	607	255	(634)	500	728
Diocesan Pastoral Account	-	-	(113)	-	445	332
Support of clergy and dependants	-	111	37	-	6	154
Retired clergy funds	-	-	71	-	(8)	63
Porlock Wyld Trust	-	24	22	-	-	46
Edginton Trust	124	35	9	-	(1)	167
Zambia Link	-	-	461	(122)	6	345
Smith Bequest	-	301	-	-	13	314
DBE Restricted Grants	-	-	-	-	82	82
Other Restricted	-	-	6	-	50	56
Total Restricted Funds	124	1,078	748	(756)	1,093	2,287
Endowment Funds						
Expendable Endowment						
Parsonage Houses Fund	38,838	-	19	-	-	38,857
Schools Capital Fund	-	-	622	-	-	622
Porlock Wyld Trust	-	96	-	-	-	96
Retired Clergy Funds	-	248	11	-	-	259
Permanent Endowment						
Diocesan Stipends Fund	12,545	32,355	127	(4,913)	(981)	39,133
Capital						
Stipends Capital	-	1,404	2	-	9	1,415
General Capital	-	574	-	-	-	574
Support of Ordinands	-	31	-	-	-	31
Croat and Cowley Trusts	-	157	-	-	-	157
Edginton Trust	157	147	-	-	-	304
Other Permanent Endowment	-	47	-	-	-	47
Total Endowment Funds	51,540	35,059	781	(4,913)	(972)	81,495
All Funds	58,468	43,494	4,500	(8,275)	-	98,187

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

26 Commitments	2016	2015
	£'000	£'000
(a) Capital Expenditure		
Authorised, not contracted for	755	-
Contracted for, not yet completed	712	25
	1,467	25

(b) Loans

At 31 December 2016 the DBF had commitments to 4 parishes (2015 - 2) to provide loans totalling £227,000 (2015 - £110,000) in relation to the CCLA Diocesan Loan Scheme and further commitments to provide bridging loans to 2 (2015 - 3) parishes totalling £12,000

In September 2014 the DBF approved a contingent loan of £290,000 to Heathfield with Cotford St Luke PCC, part of the Deane Vale Benefice in Tone Deanery from the Diocesan Loan Fund. The loan would be for a new church and community building in the heart of Cotford St Luke and would be repayable over 20 years at an annual interest rate of 1% above variable bank base rate. In September 2016 this loan offer expired and the DBF approved the loan offer to be extended to the end of 2017. The loan is contingent upon the PCC raising sufficient grant monies to complete the build, confirmation that the PCC can finance capital and interest repayments over the loan period and would be subject to an applicable legal charge.

In March 2016 the DBF approved a loan of £340,000 to Bath Abbey PCC from the Diocesan Loan Fund. The loan is contingent upon the remaining loan funding required for the Abbey Footprint Project to be in place. This loan offer is extended until March 2019. The loan would be repayable over 20 years at an annual interest rate of 1% above variable bank base rate.

27 Post Balance Sheet Events and Contingent Liabilities

In April 2017 a £2m revolving credit facility was arranged with NatWest Bank for 5 years to fund the purchase of curate houses in 2017. The facility is secured on a number of glebe properties.

28 Pension Costs

(a) The Church Workers' Pension Fund (Lay Staff) – Pension Builder Scheme

For eligible salaried employees who commenced employment after 1 January 2007 the DBF participates in the Church of England Pension Builder Scheme (PBS), within the Church Workers' Pension Fund (CWPF), which is administered by the Church of England Pensions Board (CEPB). The CEPB holds the assets of the Scheme separately from those of the Employer and the other participating employers.

The CWPF has a section known as the Defined Benefits Scheme (DBS), a deferred annuity section known as Pension Builder Classic (PB Classic) and a cash balance section known as Pension Builder 2014 (PB 2014). The PB Classic scheme was closed to future service on 1 July 2014 and all existing members were transferred into the PB 2014 scheme.

Pension Builder Scheme

PB Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into →

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

a deferred annuity during employment based on terms set and reviewed by the CEPB from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

PB 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the CEPB before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the CEPB to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the PBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the PBS's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the SOFA in the year are contributions payable (2016 - £181,282, 2015 - 178,426).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time.

PB 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. PB 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next CWPF valuation date, 31 December 2016.

(b) The Church Workers' Pension Fund (Lay Staff) – Defined Benefit Scheme

The Defined Benefits Scheme (DBS) has been closed to new lay staff from 31 December 2006 and has been replaced by the PBS noted in (a) above. The scheme was closed to future service on 30 June 2012 and existing lay staff were transferred to the PBS above. At 31 December 2016, the DBF had 37 deferred pensioner members (2015 – 38) in the fund.

The DBS section of the CWPF provides benefits for lay staff based on final pensionable salaries. For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2016 - £10,700, 2015 - £18,000),

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

plus any impact of deficit contributions (see below), giving a total charge to the SOFA of £10,700 for 2016 (2015 - £244,000).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the CEPB on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2013.

In this valuation, the Life Risk Section was shown to be in deficit by £4.9m and £4.3m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £12.9m.

Following the valuation, the Employer has entered into an agreement with the CWPF Fund to pay expenses of £9,700 per year. In addition deficit payments of £40,300 per year have been agreed for 2.75 years from 1 April 2015 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2016 - £	2015 - £
Balance sheet liability at 1 January	79,000	337,000
Deficit contribution paid	(40,300)	(38,000)
Interest cost (recognised in SOFA)	1,000	6,000
Remaining change to the balance sheet liability* (recognised in SOFA)	-	(226,000)
Balance sheet liability at 31 December	39,700	79,000

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	December 2016	December 2015	December 2014
Discount rate	0.00%	1.30%	1.80%

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

The next valuation of the scheme is being carried out as at 31 December 2016. Although work has commenced on this valuation the final report and recovery plan is not expected to be finalised until late 2017.

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

(c) The Church of England Funded Pensions Scheme for Clergy

Bath & Wells DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the CEPB, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2015. The 2015 valuation revealed a deficit of £236m, based on assets

of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030; and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the contribution rates (as a percentage of pensionable stipends) were set as follows:

% of pensionable stipends	January 2015 to December 2017	January 2018 to December 2025
Deficit repair contributions	14.1%	11.9%

As at December 2014 and December 2015, the deficit repair contributions payable under the recovery plan in force were 14.1% of pensionable stipends until December 2025.

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

(c) The Church of England Funded Pensions Scheme for Clergy (continued)

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2016	2015
Balance sheet liability at 1 January	5,709,000	6,115,000
Deficit contribution paid	(621,000)	(606,000)
Interest cost (recognised in SOFA)	135,000	134,000
Remaining change to the balance sheet liability* (recognised in SOFA)	(310,000)	66,000
Balance sheet liability at 31 December	4,913,000	5,709,000

*Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2016	December 2015	December 2014
Discount rate	1.5% pa	2.5% pa	2.3% pa
Price inflation	3.1% pa	2.4% pa	2.7% pa
Increase to total pensionable payroll	1.6% pa	0.9% pa	1.2% pa

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

Pension Liability Reconciliation	Unrestricted Funds		Restricted Funds	Endowment Funds	2016 Total	2015 Total
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Liability at 1 January	79	-	-	5,709	5,788	6,452
Deficit Contributions paid	(40)	-	-	(621)	(661)	(644)
Interest cost	1	-	-	135	136	140
Remeasurement Gains	-	-	-	(310)	(310)	(160)
Liability at 31 December	40	-	-	4,913	4,953	5,788

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

29 Prior Year Comparative SOFA	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds
	General £'000	Designated £'000	£'000	£'000	£'000
	2015				
Income and endowments from					
Donations					
Parish Contributions	9,460	-	-	-	9,460
Archbishops' Council	-	-	66	-	66
Other donations	137	-	170	-	307
Charitable activities	861	-	-	-	861
Other activities	370	-	69	-	439
Investments	1,326	10	142	-	1,478
Other	120	-	2	981	1,103
Total income and endowments	12,274	10	449	981	13,714
Expenditure on					
Raising funds	205	1	5	134	345
Charitable activities	10,990	495	822	-	12,307
Total expenditure	11,195	496	827	134	12,652
Net income/(expenditure) before investment gains	1,079	(486)	(378)	847	1,062
Net gains on investments	(101)	-	2	4,259	4,160
Net income/(expenditure)	978	(486)	(376)	5,106	5,222
Transfers between funds	(1,205)	1,382	1,099	(1,276)	-
Other recognised gains/(losses)					
Remeasurement gains/(losses) on defined benefit pension schemes	226	-	-	(66)	160
Net movement in funds	(1)	896	723	3,764	5,382
Total funds brought forward	5,168	7,032	1,884	73,291	87,375
Total funds carried forward	5,167	7,928	2,607	77,055	92,757

The Bath & Wells Diocesan Board of Finance
Notes to the Accounts
For the year ended 31 December 2016

30 Funds held as Custodian Trustee

The DBF acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing

trustees are parochial church councils and others. Assets held in this way, which consist of both property and financial assets, are not aggregated in these financial statements as the DBF does not control them. The financial assets held in this way, which are shown at valuation, may be summarised as follows:

	2016	2015
	£'000	£'000
CBF Church of England Investment Fund income shares	6,262	5,652
CBF Church of England Fixed Interest Securities Fund shares	270	256
Charles Stanley - Equities	339	308
Unit Trust Shares	146	136
Direct holdings in UK equities	54	61
Direct holdings in UK gilts	2	2
Other fixed interest stocks	322	277
CBF Church of England Property Fund shares	64	42
Loan	199	217
Cash on Deposit	1,940	1,897
Cash at Bank	263	248
Creditors	(202)	(183)
Total net assets held as custodian trustee	9,659	8,913

The Bath & Wells Diocesan Board of Finance
 Appendices – Non Statutory Financial Information
 For the year ended 31 December 2016

The following accounts and reports do not form part of the audited statutory financial statements and are included for information only.

- A) Consolidated Management Accounts Summary
- B) i) Management to Statutory Accounts Reconciliation (Unrestricted Funds)
 ii) Management to Statutory Accounts Reconciliation (Total Funds)
- C) Consolidated Financial Trusts
- D) 5 Year Actuals
- E) Glossary of terms

The Bath & Wells Diocesan Board of Finance
 Appendix A – Consolidated Management Accounts Summary
 For the year ended 31 December 2016

Pages 59 to 65 do not form part of the audited financial statements but are included for information only

	2016 Full Year			
	Actual	Budget	Variance	
	£000	£000	£000	%
Income:				
Common Fund less Discounts	9,693	9,694	(1)	(0%)
Provision for unpaid share	(106)	(97)	(9)	(9%)
Prior year recoveries & additional payments	13	-	13	n/a
Net Common Fund	9,600	9,597	3	0.0%
General Fund - Investment Income	237	250	(13)	(5%)
General Fund - Solar PV Panels	63	71	(8)	(11%)
General Fund - Interest Income	(2)	12	(14)	(117%)
Parochial Fees, Grants and Chaplaincy	842	867	(25)	(3%)
Stipends Fund - Investment Income	661	697	(36)	(5%)
Stipends Fund - Glebe Land Rental Income	306	286	20	7%
Management Charge (2%) - House & Glebe Land Sales	39	60	(21)	(35%)
Total Income	11,746	11,840	(94)	(0.8%)
Expenditure (net):				
Clergy Stipends	7,421	7,515	94	1%
Clergy Housing	953	953	-	0%
Diocesan Board of Education - Schools Youth and Children	302	306	4	1%
Ministry Forum	110	110	-	0%
Mission Forum	398	455	57	13%
Communications Group	162	272	110	40%
Stewardship Group	140	140	-	0%
Safeguarding	73	74	1	1%
The Old Deanery	65	69	4	6%
Administration	91	91	-	0%
IT	613	583	(30)	(5%)
Other Diocesan Expenditure	47	29	(18)	(62%)
National Church & Ordinands' Support	165	145	(20)	(14%)
Care of Churches (DAC)	1,050	987	(63)	(6%)
Lay Defined Benefit Pension Scheme Past-Service Deficit	55	59	4	7%
Contingency	50	50	-	0%
	-	2	2	100%
Total Expenditure (net)	11,695	11,840	145	1%
Surplus	51	-	51	

The Bath & Wells Diocesan Board of Finance
Appendix Bi – Management to Statutory Reconciliation
For the year ended 31 December 2016 - Unrestricted Funds

Pages 59 to 65 do not form part of the audited financial statements but are included for information only

	£000	£000
Management Accounts Operating Surplus		51
Realised Gain on Property Disposals		179
Other items in statutory accounts not included in management accounts		
Remeasurement Gain on Equity Loans	200	
Notional interest re NPV	147	
Write back of fixed asset impairment	55	
Repairs / Improvements budgeted in 2015 not taken from DPA	43	
Allchurches Trust grant less ALM costs	7	
Schools Improvements & Youth Dept net expenditure	(1)	
Bath & Wells Education Services Ltd write off balance	(1)	
Other	(4)	
Old Deanery repairs	(11)	
MDF Expenditure (excluding ALMs)	(22)	
Depreciation & Amortisation on office & computer equipment	(32)	
FCG net unrestricted expenditure (excluding ALMs)	(204)	
		177
Pension schemes:		
Payments made in respect of clergy scheme shortfall	621	
Payments made in respect of lay scheme shortfall	50	
Pension costs - lay DBS	(11)	
		660
Income in management accounts shown as transfers or restricted expenditure in statutory accounts		
Further Education Officer net income from St Matthias Trust	1	
Other restricted funds management charge	(1)	
Pastoral Care and Counselling fund capital drawdown	(20)	
Schools Trust management charge	(31)	
Management charges on house and land sales	(39)	
		(90)
Unrestricted income in SOFA (page 21) before investment gains		977

The Bath & Wells Diocesan Board of Finance
Appendix Bii – Management to Statutory Reconciliation
For the year ended 31 December 2016 – Total Funds

Pages 59 to 65 do not form part of the audited financial statements but are included for information only

	£000	£000
Management Accounts Operating Surplus		51
Management charge on property and glebe land disposals	(39)	
Realised Gain on Property Disposals	625	
		586
Pension Schemes		
Payments made in respect of shortfalls	671	
Interest costs and expenses	(146)	
		525
Diocesan Pastoral Account		
PH improvements and development fees	(350)	
Net proceeds of sale of redundant churches	67	
Grants and other	(2)	
		(285)
Other Restricted Funds before Investment Assets Gains/(Losses):		
Schools	(149)	
Education restricted expenditure (net)	(31)	
National Church Capacity Funding less spend to date	22	
Church Development net drawdown	(6)	
Queen Victoria, Retired Clergy / Edginton	4	
Porlock Wyld / Osborne	1	
Zambia	10	
Smith	11	
		(138)
Designated Funds:		
Allchurches Trust grant less ALM Costs	7	
Schools Improvements & Youth Dept net expenditure	(1)	
MDF Expenditure (excluding ALMs)	(22)	
FCG net unrestricted expenditure (excluding ALMs)	(204)	
		(220)
Other in statutory accounts not in management accounts		
Write back of fixed asset impairment	1,850	
Remeasurement Gain on Equity Loans	200	
Notional interest re NPV	147	
Repairs / Improvements budgeted in 2015 not taken from DPA	43	
Bath & Wells Education Services Ltd write off balance	(1)	
Other	(3)	
Old Deanery repairs	(11)	
Depreciation and amortisation of office and computer equipment	(32)	
		2,193
In management accounts not in statutory accounts		
Pastoral Care and Counselling fund capital drawdown		(20)
Net income before investment gains per SOFA		2,692
Unrealised gains on investment assets		2,327
Realised gain on disposal of investment assets		101
Remeasurement gains on pension schemes		310
Net movement in funds		5,430
Funds Brought Forward		92,757
Funds Carried Forward		98,187

The Bath & Wells Diocesan Board of Finance
Appendix C – Consolidated Financial Trusts
Balance Sheet as at 31 December 2016

Pages 59 to 65 do not form part of the audited financial statements but are included for information only

	2016		2015	
	£'000	£'000	£'000	£'000
Fixed Assets				
Equities		6,655		6,021
Government Securities		2		2
Other Fixed Interest Securities		592		533
Unit Trust Shares		146		136
CBF Property Fund		64		42
		7,459		6,734
Current Assets				
Deposit Fund	1,940		1,897	
Bank Accounts	263		248	
Loan - Hensman	199		217	
	2,402		2,362	
Current Liabilities				
Creditors	(202)		(183)	
Net Current Assets		2,200		2,178
Net Assets		9,659		8,913
Total capital balances		9,399		8,631
Total accumulated income balances		260		282
Total Funds		9,659		8,913
Total Funds analysed as:				
Parishes		4,848		4,280
Closed Schools		1,133		1,202
Schools		373		405
Other		3,045		2,744
Total accumulated income balances		260		282
		9,659		8,913

Signed on behalf of the DBF on 20 June 2017 by

Rt Revd P Hancock
Trustee

Mr H T Musselwhite
Trustee

The Bath & Wells Diocesan Board of Finance
Appendix C – Consolidated Financial Trusts
Accountants' Report

Pages 59 to 65 do not form part of the audited financial statements but are included for information only

Financial Trusts as at 31 December 2016

The Financial Trusts comprise 364 Trusts which are required to be held by the DBF as custodian trustee although they are administered by various parishes, schools or other bodies named as beneficiaries in the relevant trust deeds. The investments relating to the trusts are held by the DBF and the income derived is paid to the beneficiaries. In addition to the trusts listed, the DBF also acts as custodian trustee for land and buildings.

Report of the Accountants

We have examined the figures set out on page 62 comprising the Balance Sheet for the Financial Trusts held as custodian trustee by the Bath & Wells Diocesan Board of Finance as at 31 December 2016.

Signed haysmacintyre

Date: 20 June 2017

Basis of opinion

The scope of our work was limited to checking whether the figures have been correctly extracted from the amounts recorded in the accounting records.

Opinion

In our opinion the information detailed on the attached schedule has been accurately extracted from the accounting records of the Bath & Wells Diocesan Board of Finance as at 31 December 2016.

26 Red Lion Square
London
WC1R 4AG

The Bath & Wells Diocesan Board of Finance Appendix D – 5 Year Actuals

Pages 59 to 65 do not form part of the audited financial statements but are included for information only

		2016	2015	2014	2013	2012
Common Fund Increases (budgeted)	%	1.0%	1.5%	1.9%	3.7%	0.0%
Parish Share Contributions	£000	9,600	9,460	9,307	9,092	8,798
Parish Share Collected	%	99.0%	98.7%	98.5%	98.2%	98.3%
Stipendiary parochial clergy funded	Avg FTE	187.8	183.2	192.4	195.3	193.5
Annual Stipend increase (April)	%	0.5%	1.5%	1.4%	2.0%	2.0%
Vacancies at year end	No.	18.0	19.5	19.5	12.5	16.5
Total office holder costs	£000	6,953	6,732	6,840	6,825	6,601
Cost per clergy post	£000	37.0	36.7	35.6	34.9	34.1
Diocesan employed staff	Avg FTE	55.3	57.7	56.8	56.8	56.5
Annual Salary increase (July)	%	0.5%	1.5%	1.4%	2.0%	2.0%
Total employee costs	£000	2,115	2,188	2,111	2,059	1,982
Employee costs funded/recharged	£000	(127)	(126)	(111)	(107)	(65)
Net cost per employed post	£000	35.9	35.7	35.2	34.4	33.9
National Church Responsibilities	£000	918	857	830	779	761
Archbishops' Council grants	£000	(101)	(66)	(63)	(63)	(60)
Net payable to National Church	£000	817	791	767	716	701
General Grants Payable (incl. FCG)	£000	447	383	348	348	328
Income (management accounts)	£000	11,746	11,747	11,524	11,331	10,824
Expenditure (management accounts)	£000	11,695	11,593	11,704	11,617	11,240
Transfer from Designated to General	£000	0	0	40	250	0
Operating Surplus/Deficit	£000	51	154	(140)	(36)	(416)
Balance Sheet Net Assets	£m	98.2	92.8	87.4	85.8	86.1
Unrestricted Funds (General/Designated)	£m	14.4	13.1	12.2	12.0	10.8
Unrestricted General Expenditure Cover	Months	6.0	5.3	5.3	7.1	5.7
Tangible Fixed Assets	£m	58.5	54.8	54.9	54.6	55.0
Clergy Houses	No.	250	248	252	251	260
Clergy House Sales	No.	7	10	5	13	10
Clergy Houses Purchases	No.	9	6	6	4	8
Investments	£m	43.5	40.1	36.2	35.4	28.7
Investment Income	£000	1,415	1,383	1,375	1,281	1,230
Avg Investment inc yield - land & buildings	%	1.8%	1.7%	2.1%	2.0%	2.1%
Avg Investment inc yield - listed/unlisted	%	4.5%	4.5%	4.6%	5.1%	5.7%
Glebe land acreage (end of year)	No.	3,028	3,055	3,070	3,092	3,150
Net Current Assets (General/Designated)	£000	1,817	2,221	2,463	2,601	1,559
Declared (Adult) Survey Membership	No.	21,463	21,843	22,097	22,620	23,071
Year-on-year percentage decrease	%	(1.7%)	(1.1%)	(2.3%)	(2.0%)	(3.7%)
Unrestricted Cash (General/Designated)	£000	458	1,172	740	638	637

The Bath & Wells Diocesan Board of Finance Appendix E - Glossary

Pages 59 to 65 do not form part of the audited financial statements but are included for information only

ALM	Authorised Lay Minister
CBF	Central Board of Finance (of the Church of England)
CCLA	Providers of CBF Investment products
CEPB	Church of England Pensions Board
CMI 2015	Continuous Mortality Investigation research into mortality and morbidity, widely used by actuaries
CWPF	Church Workers' Pension Fund
DAC	Diocesan Advisory Committee
DBE	Diocesan Board of Education
DBF	Diocesan Board of Finance
DBS	Defined Benefit Scheme
DPA	Diocesan Parsonages Account
DSF	Diocesan Stipends Fund
FCG	Fund for Church Growth
FRS	Financial Reporting Standard
MAT	Multi Academy Trust
MDF	Mission Development Fund
NPV	Net Present Value
PB	Pension Builder
PCC	Parochial Church Council
S2NFA S2NMA	Tables of Normal Mortality for females (F) and males (M)
SOFA	Statement of Financial Activities
SORP	Statement of Recommended Practice
VA	Voluntary Aided
VC	Voluntary Controlled



Living the story. Telling the story.

Company limited by guarantee No. 139557
Registered charity No. 249398

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