

COMPANIES HOUSE COPY  
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**DIOCESE  
of  
ELY**

**Ely Diocesan Board of Finance**

A company limited by guarantee and not having a share capital

Registered in England No: 142183 (England & Wales) Charity No: 245456

**Report & Accounts**

**For the year ended 31 December 2009**

WEDNESDAY



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COMPANIES HOUSE

# **ELY DIOCESAN BOARD OF FINANCE**

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**ELY DIOCESAN BOARD OF FINANCE  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**Reference and administrative details of the Diocese of Ely**

In accordance with the Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005 (SORP 2005), the trustees (for the purposes of charity law) and directors (for the purposes of company law) during the period from 1st January 2009 until the date of this report were

**Bishop's Council**

**Bishops (ex officio)**

The Rt Rev Dr Anthony Russell (Bishop of Ely) (retired 28 February 2010)

The Rt Rev Dr David Thomson (Bishop of Huntingdon)

**Ex officio**

The Ven John Beer (Archdeacon of Cambridge)

The Ven Hugh Mc Curdy (Archdeacon of Huntingdon & Wisbech)

The Very Rev Dr Michael Chandler (Dean of Ely)

Mr Hugh Duberly (Chairman of Finance Committee)

The Rev Canon Jonathan Young (Chairman of the House of Clergy)

The Rev Rhannon Jones (Diocesan Clergy Representative on General Synod)

Mr Stephen Tooke (Chairman of the House of Laity) (retired 30 September 2009)

Mrs Janet Perrett (Chairman of the House of Laity) (from 1 October 2009)

Mrs Gill Ambrose (Diocesan Lay Representative on General Synod)

**Elected Archdeaconry of Cambridge**

The Rev Canon John Binns

The Rev Canon Maggie Guite

The Revd Susan Wyatt

Mrs Rachel Begbie

Dr Arvan Pritchard

Mr Adrian Wright

**Elected Archdeaconry of Huntingdon and Wisbech**

The Rev Canon Fiona Brampton

The Rev Canon Richard Darmody

Mr Simon Kershaw

Mr David Neate

Mrs Janet Perrett

**Co-options made on 13 May 2009 pending Archdeaconry elections**

Dr Martin Clark

Mrs Emma Dowman

Lady Hughes

Mr Stuart Laing (resigned 25 November 2009)

**Nominated by the Bishop**

The Rev Canon Tim Elbourne (Director of Education & Training)

The Rev Canon Alan Hargrave (Chairman of the Board of Church & Society)

The Rev Canon Vanessa Herrick (Director of Ministry)

The Rev Canon Les Oglesby (Director of Ministerial & Adult Learning)

**Diocesan Secretary**

Dr Matthew Lavis

**ELY DIOCESAN BOARD OF FINANCE  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**The Finance Committee**

Mr Hugh Duberly (Chairman)  
Mr Donald Lester (Vice-Chairman)  
Mr John Abbott  
The Venerable John Beer  
Mr Robin Bligh

Mr Bob Doel  
The Rev Malcolm Griffith  
Mr Paul Russell  
Mr Martyn Saunders

**Registered Office**

Ely Diocesan Board of Finance,  
Diocesan Office,  
Bishop Woodford House,  
Barton Road,  
Ely, Cambs CB7 4DX  
Telephone 01353 652700  
Facsimile 01353 652745

**Auditors**

Chater Allan LLP,  
Beech House,  
4a Newmarket Road,  
Cambridge CB5 8DT

**Bankers**

Barclays Bank plc,  
Corporate Banking,  
PO Box 885,  
Mortlock House,  
Vision Park,  
Histon, CB4 9DE

**Solicitors**

Lee Bolton Monier Williams  
1 The Sanctuary,  
Westminster,  
London SW1P 3JT

**Investment managers**

**Listed Investments**

CCLA Investment Management Ltd (CCLA)  
80 Cheapside  
London  
EC2V 6DZ

NW Brown Investment Management  
16-20 Regent Street  
Cambridge  
CB2 1NH

**Glebe Property Agents**

Carter Jonas  
6-8 Hills Road  
Cambridge  
CB2 1NH

Jolliffe Daking  
25 Broadway  
Peterborough  
PE1 1SQ

Grounds & Co  
24 Market Place  
March  
PE15 9JH

**ELY DIOCESAN BOARD OF FINANCE  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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The trustees, who are also directors for the purposes of company law, present their combined trustees' report and directors' report, together with the audited financial statements, for the year ended 31 December 2009

This report refers to the Diocese of Ely except for Section 2 and is set out as follows

- 1 Reference and administrative details of the Diocese of Ely
- 2 Summary information about the structure of the Church of England
- 3 Structure, governance and management
- 4 Aims, objectives and activities
- 5 Achievements and performance
- 6 Financial review
- 7 Plans for future periods
- 8 Funds held as custodian trustee for others
- 9 Appointment of auditors

**1. Reference and administrative details of the Diocese of Ely**

These are set out on pages 1 and 2

**2. 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 43 in England

Each diocese in England is divided into parishes Each parish is overseen ecclesiastically by a parish priest if not an 'incumbent' (usually called a vicar or rector) From ancient times through to today, they and their bishop are 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 108 bishops including Diocesan, 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 clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum

The Church Commissioners manage the historic assets of the Church of England, today spending most of their income on pensions for the clergy The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions 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 Board its central responsibilities for retirement welfare, the Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners

## **2 Summary information about the structure of the Church of England (Continued)**

### **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. Copies of its trustees' report and financial statements may be obtained from the Chapter Office, Ely Cathedral.

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

### **The Diocese**

#### **Diocesan Synod**

The statutory governing body of the diocese is the diocesan synod which is elected with representation from across the diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the diocesan bishops and archdeacons. It comprises three houses, laity, clergy and bishops.

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.

#### **Bishop's Council (and Standing Committee of the Diocesan Synod)**

Under the constitution 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.

#### **Deanery Synod**

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

- respond to requests from General Synod,
- where appropriate, 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.

#### **Parishes**

A benefice is a parish or group of parishes served by an incumbent in holy orders who as such is a church beneficiary and typically receives a stipend and the benefit of free occupation and use of a parsonage house at the behest of the Bishop for the purpose of 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.

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

## 2. Summary information about the structure of the Church of England (Continued)

### Parochial Church Council (PCC)

The PCC is the elected statutory 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 as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a corporate charity, and all those not exceeding £100,000 annual gross income are currently excepted from registration with the Charity Commission. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

## 3. Structure, governance and management

The Diocese of Ely was created in 1109 and covers an area of 1507 square miles with a population of approximately 662,000.

The diocese is arranged as two archdeaconries, Cambridge comprising the southern part with seven deaneries and Huntingdon & Wisbech in the northern part with nine deaneries. In total there are 308 parishes.

### Diocesan governance

The Diocese is governed by Standing Orders approved in 1994 and subsequent amendments. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. 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. Many of Diocesan Synod's responsibilities have been delegated to the Standing Committee - the Bishop's Council.

### Company status

The company, Ely Diocesan Board of Finance (EDBF), is established to manage the financial affairs and hold legal title to the assets of the Diocese. It was incorporated on 19 November 1915 as a charitable company limited by membership guarantees (No. 142183) and its governing documents are the Memorandum and Articles of Association. EDBF is registered with the Charity Commission (No. 245456).

Each member of Diocesan Synod is also a member of EDBF for company law purposes and has a personal liability limited to £1 under their guarantee as a company member in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council comprise the Board of Trustees of EDBF – they are its Directors under company law.

### Decision-making structure

Within the supervisory powers of the Diocesan Synod, as listed below, certain diocesan functions (those italicised below) are undertaken by the Board of Trustees in pursuit of EDBF's charitable objects:

- Planning the business of Synod including the preparation of agendas and papers
- Initiation of proposals for action by the Diocesan Synod and provision of policy advice
- Transacting the business of the Diocesan Synod when not in session
- *Management of the funds and property of the Diocese*
- *Preparation of annual estimates of expenditure*
- Advising on action needed to raise the income necessary to finance expenditure
- *Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod*
- *Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it*
- Appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod
- Carrying out any other functions delegated by Diocesan Synod

The Board of Trustees has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by a number of heads of departments and their staff.

### **3. Structure, governance and management (continued)**

#### **Committee structure**

*Bishop's Council* is the Board of Trustees. It consists of ten ex-officio members, including the Diocesan Bishop and the Suffragan Bishop, the two Archdeacons, and the Dean of Ely. Six clergy elected by the house of clergy from among their number (on an Archdeaconry basis, three per Archdeaconry) and ten lay persons elected by the members of the house of laity representing deaneries (on an Archdeanery basis, five per Archdeaconry) and a maximum of five members nominated by the Diocesan Bishop.

The EDBF has the following sub-committees, each of which have written terms of reference:

*Finance Committee*, which is responsible for considering the financial affairs of the Diocese. Amongst other things, it draws up draft budgets for approval by the trustees prior to submission to Diocesan Synod and monitors expenditure and income. The Committee is also responsible for assisting the trustees in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

*Investments Committee*, is responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocese.

There are a number of Diocesan Synod statutory committees that, though not sub-committees of EDBF, can influence the operations of EDBF.

*Houses Committee*, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by EDBF.

The Dioceses Pastoral and Mission Measure (2007) required all dioceses in the Church of England to re-structure their Pastoral Committees as Diocesan Mission and Pastoral Committees. The Diocese decided with effect from 1 January 2009 to make the Bishop's Council also the Diocesan Mission and Pastoral Committee as defined in the Measure. The composition of the Bishop's Council was amended to conform to the Measure.

*Diocesan Advisory Committee*, which advises on matters affecting churches and places of worship such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

*Ely Diocesan Board of Patronage*, which is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

*Redundant Churches Uses Committee*, which is responsible for finding appropriate alternative uses for churches which have been declared redundant.

#### **Appointment of trustees**

The trustees of EDBF are the members of the Bishop's Council. See above for details of the appointment process.

Trustees are given induction training when first appointed and receive ongoing training, as appropriate. This training is tailored to the individual needs of the trustees and may include introductions to church, company and charity law, an overview of current programmes and plans of the diocese and an introduction to any special areas of the diocese with which they will be working (eg Board of Education, Houses Committee). Trustees are encouraged to visit diocesan operations.

Some senior staff may have job titles incorporating the title 'Director' but they are not necessarily directors of the company (for the purposes of company law) and so they do not count as 'charity trustees'.

#### **Trustees' responsibilities**

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 incoming or outgoing resources of the company for that year.



### **3. Structure, governance and management (continued)**

#### **Trustees' responsibilities**

In preparing those financial statements the trustees are required to

- Select the most suitable accounting policies and apply them consistently,
- Make judgments and estimates that are reasonable and prudent,
- Follow applicable accounting standards and the SORP, 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.

The Trustees as a board confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware, and that they have each taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

#### **Related parties**

##### **General Synod, Church Commissioners and Archbishops' Council**

EDBF has to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Bishops are borne by the Church Commissioners and are reflected in the financial statements as costs funded by grants received from the Church Commissioners.

##### **Parochial Church Councils (PCCs)**

EDBF is required by Measure to be custodian trustee in relation to PCC property (excluding ecclesiastical buildings), but the company has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within EDBF and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

#### **Subsidiary undertakings**

EDBF has the following subsidiary undertakings, the turnover, expenditure and profit / (loss) for 2009 for each of the non-charitable subsidiaries was as follows:

	Turnover	Expenditure	Profit/(Loss)	
Ely DBF Property Limited	£Nil	£2,149	(£1,717)	
Ely Diocesan Schools Services Limited	£115,945	£98,261	£Nil	(After gift aid payments of £25,598 to Ely Diocesan Schools Fund)

#### **Pension Scheme**

##### **a) Clergy Pension Fund**

The EDBF participates in the Church of England Funded Pensions Scheme.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the EDBF is unable to identify its share of the underlying assets and liabilities – each employer in that Scheme pays a common contribution rate. The contribution rate was provisionally decreased from 39.8% to 39.7% of pensionable stipends with effect from 1 April 2008. The contribution rate was increased to 45% of pensionable stipends with effect from 1 January 2010. The latest valuation of the Scheme was carried out as at 31 December 2006.

For Schemes such as the Church of England Funded Pension Scheme, paragraph 9(b) of FRS 17 requires the EDBF to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

### **3. Structure, governance and management (continued)**

#### **Pension Scheme**

##### **b) Church of England Defined Benefits Scheme**

The EDBF participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers' Pensions Fund. As at 31 December 2009 the Board had 22 active members and 13 deferred pensioner members in the Fund.

The EDBF is unable to identify its share of the underlying assets and liabilities – each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the Fund was carried out as at 31 December 2008. The EDBF contribution rate was revised with effect from 1 January 2006 to 26.51% of pensionable salaries and from 1 January 2009 to 42% as a result of additional funding required to repay the deficit.

Further details are contained in note 35 to the financial statements.

#### **Risk management**

The trustees confirm that the major risks, to which EDBF is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures have been established to manage those risks. The trustees delegate to the Finance Committee the task of ensuring that risks are reviewed and managed as part of the risk management strategy. The Finance Committee has defined the risks in their 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 EDBF should any of the risks materialise. A risk register has been compiled.

The Finance Committee reviews the risk register periodically and 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.

### **4. Aims, objectives and activities**

#### **Aims and objectives**

EDBF aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Ely and elsewhere.

EDBF's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

The key activities may be summarised as:

- Contributions for national church institutions (mainly by grant support)
- Mission and Ministry in the Parishes (includes all clergy training, housing, stipends, pension and all other expenditure supporting parish based ministry)
- Education funding (includes support services and capital expenditure support for schools)
- Specific Diocesan projects
- Provision of Diocesan Retreat House

The trustees of the Board are aware of the Charity Commission's guidance on public benefit in *The Advancement of Religion for the Public Benefit* and have had regard to it in their administration of the Board.

The trustees believe that, by promoting the work of the Church of England in the diocese of Ely, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers, and
- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

**4. Aims, objectives and activities (continued)**

**Statutory functions**

EDBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends

It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board

The trustees are custodian trustees in relation to PCC property

**Grant-making (beneficiary-selection) policy**

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 (See note 11 to the financial statements) Grants are paid to other charitable projects which appear to the Board to support the furtherance of EDBF's objects (See note 11 to the financial statements)

**5 Achievements and performance**

**Plans and achievements in 2009**

During 2009 EDBF planned to

- maintain the full number of parish priests apportioned to the diocese by the Archbishops' Council
- maintain stipends at the level recommended for the Eastern Region by the Archbishops' Council
- increase the number of deaneries paying Ministry Share in full
- make provision for training for the Lay Ministries as identified in the 'All Good Gifts' Report
- provide for routine maintenance and expenditure on parsonages

During the year EDBF has

- Increased clergy stipends in line with its regional stipend benchmark
- Encouraged 13 out of the 16 deaneries to meet their Ministry Share in full
- Increased the Ministry Share for 2009 by 4%
- Invited each parish to update its Mission Action Plan
- Marked the 900th anniversary of the creation of the Diocese (1109)

**Operational performance**

EDBF has met all of its financial obligations to continue resourcing diocesan needs as these arise, including the support of ministry, the provision of well-maintained houses for the clergy, the national church responsibilities and enriching and facilitating many other aspects of church life throughout Ely

**Investment performance**

**Overall performance**

Investments are held in both glebe (including stipends fund) and other Board funds. The total value of investments (excluding short-term cash deposits) at 31 December 2009 was £28.86m (2008: £27.07m) and the total return on investment was 5.30% (2008: 5.83%)

**Glebe (including stipends fund) investments**

£19.62m (2008: £18.16m) of EDBF's investments are in glebe (including stipends fund), primarily to generate a sustainable income to continue funding clergy stipends

Rental income receivable from the glebe land was £387k (2008: £361k) and investment income receivable from the stipends fund was £754k (2008: £766k)

**Board investments**

Other investments are held on behalf of a number of endowed, restricted and general funds. The policy with these investments is to safeguard capital and to achieve capital growth. Investment in equity, fixed interest, property, corporate bonds and deposit funds were valued at £9.24m at 31 December 2009 (2008: £8.91m). Dividends and interest receivable amounted to £389k (2008: £450k) – a yield of 4.21% (2008: 5.06%)

## 5. Achievements and performance (continued)

### External factors affecting performance

Every effort is made by the Diocese to hold down increases in the Ministry Share, which is contributed by the Deaneries and PCCs towards the ministry and other costs of the Diocese. A large part of these costs are staff salaries and building maintenance costs, which both tend to increase at a rate in excess of the Retail Price Index. In addition, the Diocese is having to increase contributions to the clergy and staff pension schemes.

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

## 6. Financial review

### Overall financial position

Income before revaluation adjustments totalled £7.49m, 2008 £7.28m (group £7.57m, 2008 £7.40m) and expenditure amounted to £7.88m, 2008 £7.62m (group £7.97m, 2008 £7.74m).

The Statement of Financial Activities (SOFA) for the Board, for the year shows net outgoing resources of £396k, (the group, £398k), (2008 net outgoing resources of £341k for the Board and £343k for the group,) before net gains and losses on the revaluation of investments and fixed assets and on the sale of investment assets.

After revaluation adjustments, the net movement in funds amounted to £3.24m, 2008 £17.70m (group £3.29m 2008 £17.85m).

During the year, total fund balances increased from £99.48m to £102.72m (group from £99.98m to £103.27m).

There was an overall group net cash outflow of £7k, 2008 net cash inflow £51k.

### Review of the statement of financial activities

There are no significant issues to which attention needs to be drawn.

### Principal Funding Sources of the Board

Around 63% of the board income comes from Ministry Share, 20% from Diocesan investments and the remaining 17% from other resources.

### Review of the financial position

The balance sheet has strengthened during the year due to a surplus of income over expenditure of nearly £3.24m (group £3.29m) after revaluation gains of £3.63m (group £3.69m) due to the upturn in the investment markets. Net cash flow however has not significantly moved which represents the fact that there have been no substantial purchases and sales of investment property.

### Financial sustainability

A major priority is to attain Ministry Share payment in full by all deaneries. Particular attention has been given to the 4 deaneries with shortfalls in 2008. It is anticipated that only 2 will have shortfalls in 2010. A significant re-structuring of the investment portfolio was undertaken in early 2009 to protect the investment income of the diocese in the light of the current global financial situation.

### Going concern

After making enquiries the Trustees are satisfied that EDBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

### Investment policies

EDBF's investment policies are based on two key policies.

Ethical investment - this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

**6. Financial review (continued)**

**Investment policies**

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. The glebe (including stipends fund) investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital.

**Glebe (including stipends fund) investments**

Glebe investments are held in agricultural land and residential land and buildings, and equities.

Financial investments are split between several equity investment funds to spread risk.

**Unrestricted fund investments**

Funds which may be needed for working capital in the short term are held as deposits with CCLA.

**Reserves policy**

EDBF has considerable responsibilities including the remuneration of over 123 stipendiary clergy, the upkeep of approximately 189 houses and the employment of some 24 full or part time staff. The target for free reserves (net of tangible fixed assets and investments) is currently set at an amount equivalent to three months' gross expenditure from unrestricted funds estimated at £1.6m. At 31 December 2009, EDBF's free reserves (i.e. excluding those tied up in fixed assets) were £1.4m.

**7 Plans for future periods**

The trustees will continue to set annual budgets on a break-even basis (subject to seeking to hold down Ministry Share increases). The ongoing objective is to resource diocesan needs, as determined by Synod and informed by local and national Church institutions.

**8. Funds held as custodian trustee for others**

The Board is custodian trustee for trust investment assets with a market value of £9.77m (see Note 37) at 31 December 2009. Detailed certificates of holdings were sent to parishes and other managing trustees of the respective charities at that date. The Board as custodian trustee also holds Parochial Church Council (PCC) property. Each PCC is a separate charity. The assets are held separately from those of EDBF.

**9 Appointment of auditors**

A resolution to reappoint Chater Allan LLP as auditors to the company and to authorise the trustees to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board



**Dr Matthew Lavis**  
Diocesan Secretary

Date 17 May 2010

**ELY DIOCESAN BOARD OF FINANCE  
REPORT OF THE INDEPENDENT AUDITORS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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We have audited the financial statements of Ely Diocesan Board of Finance for the year ended 31 December 2009 on pages 13 to 36. These financial statements have been prepared under the accounting policies set out on pages 19-21.

This report is made solely to the Board, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Board those matters we are required to state to them in an auditors' 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 Board and the Board's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of Directors and Auditors**

As described on pages 6 and 7, the directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the Report of the Directors is consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the Board's affairs as at 31 December 2009 and of the Group's deficit for the year then ended, and
- have been properly prepared in accordance with the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ELY DIOCESAN BOARD OF FINANCE  
REPORT OF THE INDEPENDENT AUDITORS  
FOR THE YEAR ENDED 31 DECEMBER 2009

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 accounts records and return, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A large, handwritten signature in black ink, appearing to read "Peter Allan" followed by a stylized "CP" or similar initials.

Chater Allan LLP  
Chartered Accountants & Statutory Auditors  
Beech House  
4a Newmarket Road  
Cambridge  
CB5 8DT

Stuart Berriman FCCA ACA (Senior Statutory Auditor)

Date 16 June 2010

**ELY DIOCESAN BOARD OF FINANCE**  
**BOARD STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

		Unrestricted funds			Restricted funds	Endowment funds	Total Board funds	Total Board funds
		General Fund	Designated funds	Retreat House	(Note 29)	(Note 32)	funds	funds
		2009	2009	2009	2009	2009	2009	2008
<b>Incoming Resources</b>	Note	£000	£000	£000	£000	£000	£000	£000
<b>Incoming Resources from Generated Funds:</b>								
Voluntary income								
Ministry Share	2	4,689	-	-	-	-	4,689	4,403
Archbishops' Council	3	170	-	-	-	-	170	208
Other	4	130	-	4	11	139	284	289
Activities for generating funds	5	303	-	-	-	-	303	260
Investment income	6	259	-	2	1,183	90	1,534	1,595
<b>Incoming Resources from Charitable Activities:</b>								
Statutory fees, chaplaincy and other income	7	292	-	-	-	-	292	317
Schools		-	-	-	-	15	15	15
Retreat House		-	-	188	-	-	188	192
<b>Other Incoming Resources</b>	8	-	-	-	-	11	11	1
<b>Total Incoming Resources</b>		<b>5,843</b>	<b>-</b>	<b>194</b>	<b>1,194</b>	<b>255</b>	<b>7,486</b>	<b>7,280</b>
<b>Resources Expended</b>								
<b>Costs of generating funds:</b>								
Cost of activities for generating funds	9	110	-	-	-	-	110	46
Investment management costs	10	-	-	-	72	1	73	88
<b>Charitable activities</b>								
Contributions to Archbishops' Council	11	503	-	-	-	-	503	462
Resourcing ministry and mission	12	5,381	45	-	1,219	21	6,666	6,543
Schools	13	-	-	-	-	286	286	276
Retreat House		-	-	206	-	-	206	169
<b>Governance costs</b>	14	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>38</b>	<b>37</b>
<b>Total Resources Expended</b>		<b>6,027</b>	<b>45</b>	<b>206</b>	<b>1,291</b>	<b>313</b>	<b>7,882</b>	<b>7,621</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(184)</b>	<b>(45)</b>	<b>(12)</b>	<b>(97)</b>	<b>(58)</b>	<b>(396)</b>	<b>(341)</b>
Gross transfers between funds	15	-	2,094	-	1,633	(3,727)	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and (losses)</b>		<b>(184)</b>	<b>2,049</b>	<b>(12)</b>	<b>1,536</b>	<b>(3,785)</b>	<b>(396)</b>	<b>(341)</b>
<b>Other recognised gains and (losses)</b>								
On revaluation of fixed/current assets for charities own use								
Realised		-	-	-	214	144	358	1,240
Unrealised		-	-	-	(2,391)	3,783	1,392	(12,898)
On investment assets								
Realised		-	-	-	-	10	10	(19)
Unrealised		330	(1)	4	-	1,541	1,874	(5,677)
<b>Net movement in funds</b>		<b>146</b>	<b>2,048</b>	<b>(8)</b>	<b>(641)</b>	<b>1,693</b>	<b>3,238</b>	<b>(17,695)</b>
<b>Reconciliation of funds</b>								
Total funds at 1 January 2009		3,350	6,392	231	3,757	85,750	99,480	117,175
<b>Total funds at 31 December 2009</b>		<b>3,496</b>	<b>8,440</b>	<b>223</b>	<b>3,116</b>	<b>87,443</b>	<b>102,718</b>	<b>99,480</b>

All incoming resources and resources expended relate to continuing activities



**ELY DIOCESAN BOARD OF FINANCE**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>Total Board funds 2009</b>	<b>Subsidiary Companies and Trusts 2009</b>	<b>Total Consolidated funds 2009</b>	<b>Total Consolidated funds 2008</b>
<b>Incoming Resources</b>	£000	£000	£000	£000
<b>Incoming Resources from Generated Funds.</b>				
Voluntary income				
Ministry Share	4,689	-	4,689	4,403
Archbishops' Council	170	-	170	208
Other	284	-	258	241
Activities for generating funds	303	-	303	260
Investment income	1,534	13	1,547	1 663
<b>Incoming Resources from Charitable Activities.</b>				
Statutory fees, chaplaincy and other income	292	-	292	317
Schools	15	116	116	115
Retreat House	188	-	188	192
<b>Other Incoming Resources</b>	11	-	11	1
<b>Total Incoming Resources</b>	<b>7,486</b>	<b>129</b>	<b>7,574</b>	<b>7,400</b>
<b>Resources Expended</b>				
<b>Costs of generating funds:</b>				
Cost of activities for generating funds	110	-	110	46
Investment management costs	73	-	73	88
<b>Charitable activities</b>				
Contributions to Archbishops' Council	503	-	503	462
Resourcing ministry and mission	6,666	-	6,666	6,543
Schools	286	100	371	395
Retreat House	206	-	206	169
<b>Governance costs</b>	38	4	42	39
<b>Other costs</b>	-	27	1	1
<b>Total Resources Expended</b>	<b>7,882</b>	<b>131</b>	<b>7,972</b>	<b>7,743</b>
<b>Net incoming/(outgoing) resources before transfers</b>	<b>(396)</b>	<b>(2)</b>	<b>(398)</b>	<b>(343)</b>
Gross transfers between funds	-	-	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and (losses)</b>	<b>(396)</b>	<b>(2)</b>	<b>(398)</b>	<b>(343)</b>
<b>Other recognised gains and (losses)</b>				
On revaluation of fixed/current assets for charities own use				
Realised	358	-	358	1,240
Unrealised	1,392	-	1,392	(12,898)
On investment assets				
Realised	10	-	10	(19)
Unrealised	1,874	54	1,928	(5,828)
<b>Net movement in funds</b>	<b>3,238</b>	<b>52</b>	<b>3,290</b>	<b>(17,848)</b>
<b>Reconciliation of funds</b>				
Total funds at 1 January 2009	99,480	504	99,984	117,832
<b>Total funds at 31 December 2009</b>	<b>102,718</b>	<b>556</b>	<b>103,274</b>	<b>99,984</b>

All incoming resources and resources expended relate to continuing activities

**ELY DIOCESAN BOARD OF FINANCE**  
**BOARD BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

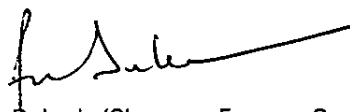
	Note	Unrestricted funds General Fund 2009 £000	Retreat House 2009 £000	Restricted funds (Note 30) 2009 £000	Endowment funds (Note 33) 2009 £000	Total Board funds 2009 £000	Total Board funds 2008 £000
<b>Fixed Assets</b>							
Tangible assets	20	7,848	201	-	63,558	71,607	71,992
Investments	21	5,768	48	1,258	17,539	24,613	23,031
		<u>13,616</u>	<u>249</u>	<u>1,258</u>	<u>81,097</u>	<u>96,220</u>	<u>95,023</u>
<b>Current Assets</b>							
Stock and work in progress		-	4	142	-	146	108
Debtors Due within one year	22	1,216	19	1,573	2,234	2,965	2,537
Due in more than one year	22	101	-	165	86	202	405
Tangible assets		-	-	-	4,957	4,957	2,389
Cash at bank and in hand		190	69	-	4	263	547
		<u>1,507</u>	<u>92</u>	<u>1,880</u>	<u>7,281</u>	<u>8,533</u>	<u>5,986</u>
<b>Current Liabilities</b>							
Creditors amounts falling due within one year	23	2,914	118	22	935	1,762	1,347
<b>Net Current Assets/ (Liabilities)</b>		<u>(1,407)</u>	<u>(26)</u>	<u>1,858</u>	<u>6,346</u>	<u>6,771</u>	<u>4,639</u>
<b>Total Assets less Current Liabilities</b>		<u>12,209</u>	<u>223</u>	<u>3,116</u>	<u>87,443</u>	<u>102,991</u>	<u>99,662</u>
<b>Creditors amounts falling due after more than one year</b>	24	78	-	-	-	78	92
<b>Provisions for liabilities and charges</b>	25	195	-	-	-	195	90
<b>Net Assets</b>		<u>11,936</u>	<u>223</u>	<u>3,116</u>	<u>87,443</u>	<u>102,718</u>	<u>99,480</u>
<b>The Funds of the Chantry</b>							
Endowment funds	32	-	-	-	87,443	87,443	85,750
Restricted income funds	29	-	-	3,116	-	3,116	3,757
Unrestricted income funds							
General funds	28	3,496	223	-	-	3,719	3,581
Designated funds	27	8,440	-	-	-	8,440	6,392
		<u>11,936</u>	<u>223</u>	<u>-</u>	<u>-</u>	<u>12,159</u>	<u>9,973</u>
<b>Total Funds</b>		<u>11,936</u>	<u>223</u>	<u>3,116</u>	<u>87,443</u>	<u>102,718</u>	<u>99,480</u>

The Board totals include consolidation adjustments and are not, therefore, a simple cast of the columns on this page

These financial statements were approved by the Directors of the Board on 6 May 2010



The Rt Rev Dr David Thomson (Bishop of Huntingdon)



Mr Hugh Duberly (Chairman Finance Committee)

**ELY DIOCESAN BOARD OF FINANCE**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

	Note	Total Board funds 2009 £000	Subsidiary Companies and Trusts 2009 £000	Total Consolidated funds 2009 £000	Total Consolidated funds 2008 £000
<b>Fixed Assets</b>					
Tangible assets	20	71,607	37	71,644	72,029
Investments	21	24,613	560	25,173	23,537
		<u>96,220</u>	<u>597</u>	<u>96,817</u>	<u>95,566</u>
<b>Current Assets</b>					
Stock and work in progress		146	516	662	613
Debtors Due within one year	22	2,965	166	2,477	2,100
Due in more than one year	22	202	-	202	405
Tangible assets		4,957	-	4,957	2,389
Cash at bank and in hand		263	1,041	1,304	1,445
		<u>8,533</u>	<u>1,723</u>	<u>9,602</u>	<u>6,952</u>
<b>Current Liabilities</b>					
Creditors amounts falling due within one year	23	1,762	1,764	2,872	2,352
		<u>6,771</u>	<u>(41)</u>	<u>6,730</u>	<u>4,600</u>
<b>Net Current Assets/ (Liabilities)</b>					
		102,991	556	103,547	100,166
<b>Total Assets less Current Liabilities</b>					
Creditors amounts falling due after more than one year	24	78	-	78	92
Provisions for liabilities and charges	25	195	-	195	90
		<u>102,718</u>	<u>556</u>	<u>103,274</u>	<u>99,984</u>
<b>Net Assets</b>					
<b>The Funds of the Charity</b>					
Endowment funds	32	87,443	-	87,443	85,750
Restricted income funds					
Board restricted funds	29	3,116	-	3,116	3,757
Subsidiaries		-	556	556	504
		<u>3,116</u>	<u>556</u>	<u>3,672</u>	<u>4,261</u>
Unrestricted income funds					
General funds		3,719	-	3,719	3,581
Designated funds	27	8,440	-	8,440	6,392
		<u>12,159</u>	<u>-</u>	<u>12,159</u>	<u>9,973</u>
		<u>102,718</u>	<u>556</u>	<u>103,274</u>	<u>99,984</u>
<b>Total Funds</b>					

The consolidated totals include consolidation adjustments and are not, therefore, a simple cast of the columns on this page

These financial statements were approved by the Directors of the Board on 6 May 2010

  
The Rt Rev Dr David Thomson (Bishop of Huntingdon)

  
Mr Hugh Duberly (Chairman Finance Committee)

**ELY DIOCESAN BOARD OF FINANCE**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008	
	£000	£000	
Net outgoing resources before transfers	(398)	(343)	
Depreciation	35	23	
Interest and dividends receivable	(1,547)	(1,663)	
Interest payable	10	18	
(Increase)/ decrease in stock	(49)	457	
(Increase)/ decrease in debtors	(151)	248	
Increase/ (decrease) in creditors	640	(460)	
Increase/ (decrease) in provisions	105	(36)	
<b>Net cash outflow from operating activities</b>	<b>(1,355)</b>	<b>(1,756)</b>	
<b>Returns on investment and servicing of finance</b>			
Interest and dividends received	1,524	1,637	
Interest paid	(10)	(18)	
	<b>1,514</b>	<b>1,619</b>	
<b>Capital expenditure and financial investment</b>			
Expenditure on tangible fixed assets	(1,364)	(1,879)	
Sale of tangible fixed assets	896	3,102	
Purchase of investments	(4,103)	(1,757)	
Sale of investments	4,405	722	
Loans repaid	(14)	(10)	
	<b>(180)</b>	<b>178</b>	
<b>Net cash inflow / (outgoing) before financing</b>	<b>(21)</b>	<b>41</b>	
<b>Financing</b>			
Loans repaid	14	10	
	<b>14</b>	<b>10</b>	
<b>Increase / (Decrease) in cash</b>	<b>(7)</b>	<b>51</b>	
Bank balances as at 1 January 2009	1,092	1,041	
<b>Bank balances as at 31 December 2009</b>	<b>1,085</b>	<b>1,092</b>	
<b>Analysis of movement in cash</b>	<b>2009</b>	<b>Movement</b>	<b>2008</b>
Cash at bank and in hand	1,304	(141)	1,445
Overdraft	(111)	120	(231)
	<b>1,193</b>	<b>(21)</b>	<b>1,214</b>
Debts due within one year			
Loans	(30)	-	(30)
Debts due after one year			
Loans	(78)	14	(92)
	<b>1,085</b>	<b>(7)</b>	<b>1,092</b>

## 1 Principal Accounting Policies

The financial statements comply with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" published in March 2005, as interpreted by the Diocesan Annual Report and Financial Statements Guide (except where otherwise disclosed and explained by reference to the DBF's own particular circumstances) A summary of the material accounting policies and estimation techniques adopted follows

### Basis of preparation

The Board prepares its annual financial statements on the basis of historical cost (adjusted for the revaluation of land and buildings) and the carrying of investment assets (including investment properties) at market value The financial statements are drawn up in accordance with the requirements of the Companies Act 2006 except where the special nature of the company's operations has required adaptation of the required formats as required or allowed by Section 396(5) of the Act

Fund Balances are split between general, designated, restricted and endowment funds

- **General funds** are the company's corporate funds Undesignated general funds are freely available for any purpose within the company's objects, at the discretion of the Board
- **Designated funds** are those funds set aside out of general funds by the Board for a specific purpose over whose use and purpose the Board has discretion
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure
- **Endowment funds** are those held on trust to be retained for the benefit of the charity as a capital fund In the case of the endowment funds administered by the Board (Stipends Fund Capital, Parsonage Houses and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment

"Special trusts" (as defined by the Charities Act 1993) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included as subsidiary undertakings and included in group consolidated accounts The company's interests in any other undertakings under shared control are included in the company or consolidated accounts accordingly

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are disclosed in Note 37

### Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Board is legally entitled to them as income or capital respectively, ultimate receipt is reasonably certain and the amount to be recognised can be quantified with reasonable accuracy

Grants received which are subject to pre-conditions for entitlement or use specified by the donor which have not been met at the year end are included in creditors to be carried forward to the following year

In respect of parochial contributions, contributions received during the year or within three months after the financial year end are included in the financial statements

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

**1 Principal Accounting Policies (continued)**

**Resources expended**

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

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 Board, such grants being recognised as expenditure when the conditions attaching 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.

Where costs cannot be directly attributed to particular headings they have been allocated or apportioned to activities on a basis consistent with use of the resources. Central support costs are apportioned on the basis of the estimated usage of resources at Bishop Woodford House. The apportionment in 2009 can be summarised as follows:

0% - Cost of activities for generating funds  
85% - Resourcing ministry and mission  
15% - Schools

**Pensions**

The Board participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pensions Fund. It also operates a stakeholder scheme and contributes to personal pension schemes. A separate pension scheme for stipendiary clergy is administered by the Church of England Pensions Board and is a defined benefit scheme. The Board is unable to identify its share of the underlying assets and liabilities of either of the above defined benefit schemes.

**Investments**

Investments include agricultural holdings, commercial and residential properties, and investment securities. They are valued as at 31 December each year.

**Properties for the charity's own use**

All these properties are included at either the cost in respect of Board houses or market value in respect of parsonage houses.

Parsonage houses are valued at the mid point of the Council Tax banding as adjusted by a published index to reflect changes since the last valuation.

**Capital expenditure on non-controlled schools**

The Board contributes to the improvement, extension and building of schools not under its control by making grants to the school governors concerned, and these are shown as such in the Statement of Financial Activities. The Board does not recognise the value of the company's reversionary interest in the assets of closed schools until the ultimate proceeds of disposal have been received.

**Depreciation on freehold and leasehold properties for the charity's own use**

Depreciation is not provided on buildings as 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 (by reference to prices ruling at the time of acquisition of the capitalised asset in each case) is not materially less than their carrying value. The Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. 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 Directors perform annual impairment reviews in accordance with the requirements of FRS 15 and FRS 11 to ensure that the carrying value is not more than the recoverable amount.

**1. Principal Accounting Policies (continued)**

**Depreciation on 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 currently expected useful economic lives at the following initial rates

Motor Vehicles	25% per annum straight line
Computers	33 3% per annum straight line
Furniture and office equipment	Between 12 5% and 33% per annum straight line

**Parsonage houses**

The Board has followed the requirements of Financial Reporting Standard No 5, in its accounting treatment for benefice houses (parsonages) FRS 5 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if declared redundant, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Directors therefore consider the most suitable accounting policy to be to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value on the basis described above.

**Gains and losses on fixed assets**

Realised and unrealised gains and losses on properties are included as part of other recognised gains and losses together with both realised and unrealised gains and losses on investment assets.

**Stock and Work in Progress**

Stock is valued at the lower of cost and net realisable value.

**ELY DIOCESAN BOARD OF FINANCE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	General funds 2009 £000	Unrestricted funds Designated funds 2009 £000	Retreat House 2009 £000	Restricted funds 2009 £000	Endowment funds 2009 £000	Total Board funds 2009 £000	Total Board funds 2008 £000
<b>2. Ministry Share</b>							
Parish contributions							
Current year's allocation net of discounts and rebates	4,753	-	-	-	-	4,753	4,467
Shortfall in contributions	(71)	-	-	-	-	(71)	(67)
	4,682	-	-	-	-	4,682	4,400
Arrears for previous years	7	-	-	-	-	7	3
	4,689	-	-	-	-	4,689	4,403
Other parish contributions	-	-	-	-	-	-	-
	4,689	-	-	-	-	4,689	4,403
Total ministry share receipts represent 98.65% (2008 98.55%) of the allocation							
<b>3. Voluntary income from Archbishops' Council</b>							
Chancellor and Registrar	24	-	-	-	-	24	24
Church Commissioners selective allocation	100	-	-	-	-	100	141
Parish mission initiative fund	46	-	-	-	-	46	43
	170	-	-	-	-	170	208
<b>4 Other voluntary income</b>							
Ecclesiastical Insurance Group	85	-	-	-	-	85	81
Donations towards ordination candidates	2	-	-	-	-	2	4
Marshall's Charity donation	11	-	-	-	-	11	14
Subscriptions and donations	32	-	4	11	139	186	190
	130	-	4	11	139	284	289
<b>5 Income from activities for generating funds</b>							
Rental income from vacant parsonages	303	-	-	-	-	303	260
	303	-	-	-	-	303	260
<b>6 Investment income</b>							
Investment income	255	-	2	796	90	1,143	1,216
Glebe rents receivable	-	-	-	387	-	387	361
Interest received	4	-	-	-	-	4	18
	259	-	2	1,183	90	1,534	1,595
<b>7 Incoming resources from charitable activities</b>							
Assigned fees	257	-	-	-	-	257	266
Unassigned fees	22	-	-	-	-	22	25
Service fees in vacancies	13	-	-	-	-	13	26
	292	-	-	-	-	292	317
<b>8. Other Incoming Resources</b>							
Other incoming resources	-	-	-	-	11	11	1
	-	-	-	-	11	11	1



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	General funds	Unrestricted funds	Restricted funds	Endowment funds	Total Board funds	Total Board funds
	2009	Designated funds	Retreat House	2009	2009	2008
	£000	2009	2009	2009	£000	£000
<b>9. Cost of activities for generating funds</b>						
Let houses expenses	110	-	-	-	110	46
	110	-	-	-	110	46
<b>10 Investment management costs</b>						
Glebe management costs	-	-	-	63	1	81
Investment managers costs	-	-	-	9	-	7
	-	-	-	72	1	88
<b>11 Contributions to Archbishops' Council</b>						
Training for the ministry	219	-	-	-	219	190
National Church Institutions	215	-	-	-	215	208
Church's Housing Assistance for the Retired Ministry (CHARM)	54	-	-	-	54	50
Mission agency pension contributions	15	-	-	-	15	14
	503	-	-	-	503	462
<b>12. Resourcing ministry and mission</b>						
Stipends, national insurance and pension contributions	2,880	-	-	1,093	-	3,991
Housing costs	1,241	45	-	71	21	1,372
Ministry selection and training	300	-	-	5	-	310
Clergy support	207	-	-	-	-	198
Interest payable	10	-	-	-	-	18
Support for ministry in parishes	743	-	-	50	-	654
	5,381	45	-	1,219	21	6,666
<b>13 Expenditure by Schools Fund</b>						
Direct	-	-	-	-	150	157
Grants (Church School projects)	-	-	-	-	41	22
Support	-	-	-	-	90	74
Interest payable	-	-	-	-	5	23
	-	-	-	-	286	276
<b>14. Governance costs</b>						
Audit and financial accounting fees	15	-	-	-	5	19
Boards and committees' travelling	1	-	-	-	-	3
General Synod members' expenses	6	-	-	-	-	4
Diocesan Synod expenses	11	-	-	-	-	11
	33	-	-	-	5	37
<b>15. Analysis of transfers between funds</b>						
From the Diocesan Pastoral Account (DPA) to the Pastoral Property Reserve	-	2,094	-	(2,094)	-	-
From Parsonage Houses Fund to the DPA	-	-	-	3,727	(3,727)	-
	-	2,094	-	1,633	(3,727)	-

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**16 Analysis of resources expended including allocation of support costs**

	Activities undertaken directly £000	Grant funding of activities £000	Support costs £000	Total Board 2009 £000	Total Board 2008 £000
Cost of activities for generating funds	108	-	2	110	46
Investment management costs	73	-	-	73	88
Contributions to Archbishops' Council	503	-	-	503	462
Resourcing ministry and mission	5,927	221	518	6,666	6,543
Schools	155	41	90	286	276
Diocesan Retreat House	206	-	-	206	169
Governance costs	38	-	-	38	37
	<u>7,010</u>	<u>262</u>	<u>610</u>	<u>7,882</u>	<u>7,621</u>

**17. Net incoming resources for the year**

	Unrestricted funds General 2009 £000	Retreat House 2009 £000	Endowment funds 2009 £000	Total Board funds 2009 £000	Total Board funds 2008 £000
These are after charging					
Depreciation	15	19	1	35	23
Auditors' remuneration	15	-	5	20	19
	<u>30</u>	<u>19</u>	<u>6</u>	<u>55</u>	<u>42</u>

**18 Payroll costs**

The aggregate payroll costs of staff were

Wages and salaries	328	70	107	505	494
Social security costs	26	4	8	38	37
Pension contributions	139	5	39	183	127
	<u>493</u>	<u>79</u>	<u>154</u>	<u>726</u>	<u>658</u>

The Board also met the stipends of 123 (2008: 124) parochial clergy and lay workers serving in the Diocese. Parochial clergy and lay workers are not employees of the Board therefore their stipends, pensions and social security are not included in the above note.

No director/ trustee received any fee or other emolument as a direct result of being a member of the Board.

During the year the Board made contributions to the Church Commissioners at the standard rate agreed by Diocesan Synod towards the stipends, national insurance and pension contributions of the licensed clergy who are directors of the Board and provided houses, including the payment of council tax and maintenance costs, as part of normal clergy remuneration. Directors were reimbursed for travel, subsistence and incidental costs incurred in undertaking their ministerial activities.

**19 Directors and Employees**

The average number of persons employed by the Board during the year was as follows:

	2009	2008
Resourcing ministry and mission	12	12
Schools Fund	4	4
Retreat House	8	8
	<u>24</u>	<u>24</u>

Employee's emoluments exceeded £60,000

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**ELY DIOCESAN BOARD OF FINANCE**  
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**20 Tangible Fixed Assets (Board & Consolidated)**

	Unrestricted General funds £000	Retreat House £000	Restricted funds £000	Endowment funds £000	Total Board funds £000	Subsidiary Companies £000	Total Con- solidated funds £000
Cost at 1 January 2009	6,066	215	-	66,128	72,409	37	72,446
Transfer (to)/from current assets	-	-	-	(1,763)	(1,763)	-	(1,763)
Inter-fund transfer	1,892	-	2,391	(4,283)	-	-	-
Additions	380	86	-	898	1,364	-	1,364
Disposals	(147)	(3)	-	-	(150)	-	(150)
Revaluation	-	-	(2,391)	2,587	196	-	196
Cost at 31 December 2009	8,191	298	-	63,567	72,056	37	72,093
Depreciation at 1 January 2009	328	81	-	8	417	-	417
Transfer from current assets	-	-	-	-	-	-	-
Disposals	-	(3)	-	-	(3)	-	(3)
Depreciation	15	19	-	1	35	-	35
Eliminated on revaluation	-	-	-	-	-	-	-
Depreciation at 31 December 2009	343	97	-	9	449	-	449
Net Book Value at 31 December 2009	7,848	201	-	63,558	71,607	37	71,644
Net Book Value at 31 December 2008	5,738	134	-	66,120	71,992	37	72,029

**Analysis of the general fund**

	Freehold Properties £000	Leasehold Property £000	Furniture & Equipment £000	Motor Vehicles £000	Total General Fund £000
Cost at 1 January 2009	5,721	269	58	18	6,066
Transfer (to)/from current assets	-	-	-	-	-
Inter-fund transfer	1,892	-	-	-	1,892
Additions	349	-	31	-	380
Disposals	(147)	-	-	-	(147)
Revaluation	-	-	-	-	-
Cost at 31 December 2009	7,815	269	89	18	8,191
Depreciation at 1 January 2009	-	269	50	9	328
Transfer (to)/from current assets	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	-	-	10	5	15
Eliminated on revaluation	-	-	-	-	-
Depreciation at 31 December 2009	-	269	60	14	343
Net Book Value at 31 December 2009	7,815	-	29	4	7,848
Net Book Value at 31 December 2008	5,721	-	8	9	5,738

**Current Property Value**

A survey of General Fund property values indicates that some properties are at present worth less than cost. A provision of £100,000 was set aside for this purpose by 31 December 1994, none of this provision has been used. This provision will be utilised as necessary against losses which might arise if any of these properties were to be sold before property values return to the level at which they were acquired.

**Use of Fixed Assets**

All of the Board's tangible fixed assets are used for direct charitable purposes with the exception of the investment glebe land, the leasehold property and some of the furniture and equipment which is used for management and administration.

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**20. Tangible Fixed Assets (continued)**

**Retreat House**

The Retreat House fixed assets consists of £179,746 (2008 £120,205) leasehold improvements and £21,124 (2008 £13,452) of fixtures and fittings

**Analysis of the endowment funds.**

	<b>Glebe</b>	<b>Team Vicarages</b>	<b>Parsonage Houses</b>	<b>Schools Fund</b>	<b>Total Endowment Fund</b>
	£000	£000	£000	£000	£000
Valuation at 1 January 2009	3,649	2,036	60,049	394	66,128
Transfer (to)/from current assets	(148)	-	(1,615)	-	(1,763)
Inter-fund transfer	-	-	(4,283)	-	(4,283)
Additions	-	-	898	-	898
Disposals	-	-	-	-	-
Revaluation	246	100	2,124	117	2,587
Valuation at 31 December 2009	3,747	2,136	57,173	511	63,567
Depreciation at 1 January 2009	-	-	-	8	8
Transfer from current assets	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	-	-	-	1	1
Eliminated on revaluation	-	-	-	-	-
Depreciation at 31 December 2009	-	-	-	9	9
Net Book Value at 31 December 2009	3,747	2,136	57,173	502	63,558
Net Book Value at 31 December 2008	3,649	2,036	60,049	386	66,120

**Glebe Land**

Under the provisions of the Endowments and Glebe Measure 1976 the ownership of glebe land was transferred to the Board from 1 April 1978. Together with subsequent purchases less sales, there are now vested in the Board 5,353 acres of glebe land and 6 team vicarages. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund.

**Parsonages**

Benefice houses are legally vested in incumbents as freeholders but the proceeds of any sale following a pastoral reorganisation belongs to the Diocesan Pastoral Account. The Diocese is responsible for all upkeep and maintenance. As at 31 December 2009 the Diocese was responsible for 136 parsonage properties. Minor capital works of £71,146 (2008 £52,940) were not capitalised but charged against the Pastoral Account.

**Schools Fund**

Investment properties comprises glebe land together with land and buildings with a value of £501,916 included in the Schools Fund. The latter were valued by the directors at the balance sheet date and glebe land is valued in accordance with the accounting policy.

**Subsidiary Companies**

Fixed assets represents an investment property held by Ely DBF Property Ltd.

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	Unrestricted General funds 2009 £000	Retreat House 2009 £000	Restricted funds 2009 £000	Endowment funds 2009 £000	Total Board funds 2009 £000	Total con- solidated funds 2009 £000	Total Board funds 2008 £000	Total con- solidated funds 2008 £000
<b>21 Investments</b>								
At 1 January 2009	4,551	42	2,256	16,182	23,031	23,537	27,663	28,320
Additions	1,488	2	17	2,596	4,103	4,103	1,757	1,757
Disposals	(600)	-	(1,015)	(2,780)	(4,395)	(4,395)	(741)	(741)
Revaluation	329	4	-	1,541	1,874	1,928	(5,648)	(5,799)
At 31 December 2009	5,768	48	1,258	17,539	24,613	25,173	23,031	23,537
Invested in								
Central Board of Finance (CCLA)								
Investment fund	3,884	48	-	11,985	15,917	16,447	13,987	14,464
Fixed interest securities fund	-	-	-	-	-	4	-	4
Property fund	460	-	-	992	1,452	1,452	1,499	1,499
Deposits	436	-	1,258	245	1,939	1,939	6,211	6,211
N W Brown Investment managers								
Investment fund	-	-	-	1,343	1,343	1,343	1,198	1,198
Deposits	-	-	-	117	117	117	130	130
Corporate bond funds	988	-	-	2,850	3,838	3,838	-	-
Subsidiary companies	-	-	-	-	-	-	-	-
Other investments	-	-	-	7	7	33	6	31
Total Investments	5,768	48	1,258	17,539	24,613	25,173	23,031	23,537
General Fund	5,768	-	-	-	5,768	5,768	4,551	4,551
Retreat House	-	48	-	-	48	48	42	42
Diocesan Pastoral Account	-	-	1,258	-	1,258	1,258	2,249	2,249
Keswick Fund	-	-	-	-	-	-	7	7
Stipends Capital Fund	-	-	-	15,876	15,876	15,876	14,506	14,506
Schools Fund	-	-	-	1,663	1,663	1,663	1,676	1,676
Subsidiary Trusts	-	-	-	-	-	560	-	506
	5,768	48	1,258	17,539	24,613	25,173	23,031	23,537
Cost at 31 December 2009	3,699	43	1,258	12,706	17,706	17,788	18,003	18,085

**Subsidiary Trusts**

Trusts where the Board is both the custodian and the beneficiary

**Subsidiary companies**

The Board owns 100% of the issued share capital of Ely Diocesan Schools Services Limited and Ely DBF Property Limited, companies incorporated in England, whose principal activities are that of providing project management services to schools and construction, and property development respectively. The cost of these investments is £2

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	Unrestricted General fund 2009 £000	Retreat House 2009 £000	Restricted funds 2009 £000	Endowment funds 2009 £000	Total Board funds 2009 £000	Total con- solidated funds 2009 £000	Total Board funds 2008 £000	Total con- solidated funds 2008 £000
<b>22 Debtors</b>								
(a) Due within one year								
Ministry share received after year end	221	-	-	-	221	221	174	174
Glebe rents	91	-	-	-	91	91	78	78
Other debtors	660	19	1,568	475	645	657	202	221
Schools Fund projects	-	-	-	1,156	1,156	1,156	1,155	1,155
School governing bodies	-	-	-	-	-	98	-	137
Prepayments and accrued income	164	-	-	35	198	199	266	281
Long term loans	34	-	5	15	55	55	54	54
Due from subsidiary companies								
Ely Diocesan Schools Services Ltd	-	-	-	26	26	-	48	-
Ely DBF Property Ltd	46	-	-	527	573	-	560	-
	<u>1,216</u>	<u>19</u>	<u>1,573</u>	<u>2,234</u>	<u>2,965</u>	<u>2,477</u>	<u>2,537</u>	<u>2,100</u>
(b) Due after one year								
Other debtors	-	-	-	57	57	57	82	82
Loans payable within 5 years	101	-	165	29	145	145	133	133
Loans payable within 20 years	-	-	-	-	-	-	190	190
	<u>101</u>	<u>-</u>	<u>165</u>	<u>86</u>	<u>202</u>	<u>202</u>	<u>405</u>	<u>405</u>
<b>23. Creditors' amounts falling due within one year</b>								
Overdraft	-	-	-	111	111	111	231	231
Other creditors	2,669	118	22	298	884	884	413	413
Schools Fund projects	-	-	-	-	-	-	53	53
Accruals and deferred income	215	-	-	471	682	759	562	708
Central Board of Finance for parish loans repayable within one year	30	-	-	-	30	30	30	30
School governing bodies	-	-	-	-	-	1,088	-	917
Due from subsidiary companies								
Ely Diocesan Schools Services Ltd	-	-	-	55	55	-	58	-
	<u>2,914</u>	<u>118</u>	<u>22</u>	<u>935</u>	<u>1,762</u>	<u>2,872</u>	<u>1,347</u>	<u>2,352</u>
<b>24. Creditors: amounts falling due after more than one year</b>								
Central Board of Finance for parish loans								
Repayable within 5 years	78	-	-	-	78	78	85	85
Repayable within 20 years	-	-	-	-	-	-	7	7
	<u>78</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78</u>	<u>78</u>	<u>92</u>	<u>92</u>
<b>25. Provisions for liabilities and charges</b>								
Parsonage housing repairs provision	<u>195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195</u>	<u>195</u>	<u>90</u>	<u>90</u>
The movement on Parsonage housing repairs provision is as follows								
Balance at 1 January 2009	90	-	-	-	90	90	126	126
Repairs expenditure during the year	(72)	-	-	-	(72)	(72)	(105)	(105)
New provision in year	177	-	-	-	177	177	69	69
Balance at 31 December 2009	<u>195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195</u>	<u>195</u>	<u>90</u>	<u>90</u>

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	Unrestricted General & Designated fund 2009 £000	Retreat House 2009 £000	Restricted funds 2009 £000	Endowment funds 2009 £000	Total Board funds 2009 £000	Total con- solidated funds 2009 £000	Total Board funds 2008 £000	Total con- solidated funds 2008 £000
<b>26 Revaluation Reserve</b>								
Balance at 1 January 2009	1,739	(2)	-	43,101	44,838	45,263	64,569	65,143
Revaluation of fixed assets	-	-	(2,391)	2,587	196	196	(12,898)	(12,898)
Revaluation of investment assets	329	4	-	1,541	1,874	1,928	(5,648)	(5,799)
Transfer (to)/from other reserves	-	-	2,391	(2,388)	3	3	(1,183)	(1,183)
Balance at 31 December 2009	2,068	2	-	44,841	46,911	47,390	44,840	45,263

**27 Designated funds**

	Other Revaluation General fund Reserves £000	Reserve £000	Designated Fund Total Reserves £000
Balance at 1 January 2009	6,408	(16)	6,392
Deficit for the year	(45)	-	(45)
Transfers	2,094	-	2,094
Revaluation of investment assets	-	(1)	(1)
Balance at 31 December 2009	8,457	(17)	8,440

	At 1 January 2009 £000	Incoming resources £000	Reserves expended £000	Revaluation £000	Transfer (to)/from DPA £000	At 31 December 2009 £000
Pastoral Property Reserve	5,720	-	-	-	2,094	7,814
Property Reserve	100	-	-	-	-	100
Diocesan Small Works	20	-	-	-	-	20
Glebe Repairs Reserve	81	-	-	-	-	81
Long Term Parsonage Repair Reserve	429	-	(45)	-	-	384
Youth Work	10	-	-	-	-	10
Murrow Church	32	-	-	(1)	-	31
	6,392	-	(45)	(1)	2,094	8,440

**Pastoral Property Reserve**

Board properties are funded by the Diocesan Pastoral Account (DPA) and when such properties are sold the sales proceeds are transferred to the DPA. The Pastoral Property Reserve represents the amount invested in Pastoral Property.

**Murrow Church**

Funds held by the Board arising from the sale of the Chapel of Ease, for the benefit of Murrow Church fabric.

**28 General fund reserves**

	From General Account Balances £000	Other General Fund Reserves £000	Revaluation Reserve £000	General Fund Total Reserves £000
Balance at 1 January 2009	(616)	2,211	1,755	3,350
Deficit for the year	(184)	-	-	(184)
Transfers	150	(150)	-	-
Revaluation of investment assets	-	-	330	330
Balance at 31 December 2009	(650)	2,061	2,085	3,496

**ELY DIOCESAN BOARD OF FINANCE  
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<b>29. Restricted Fund Summary</b>	<b>Diocesan Pastoral Account</b>	<b>New Churches Fund</b>	<b>Diocesan Stipends Fund Income Account</b>	<b>Keswick Fund</b>	<b>Restricted Funds Total</b>
	£000	£000	£000	£000	£000
<b>Incoming Resources</b>					
<b>Incoming Resources from Generated Funds:</b>					
Voluntary income Other	-	11	-	-	11
Investment income	42	-	1,141	-	1,183
<b>Total Incoming Resources</b>	<b>42</b>	<b>11</b>	<b>1,141</b>	<b>-</b>	<b>1,194</b>
<b>Resources Expended</b>					
<b>Costs of generating funds:</b>					
Investment management costs	-	-	72	-	72
<b>Charitable activities</b>					
Resourcing ministry and mission	71	50	1,093	5	1,219
<b>Total Resources Expended</b>	<b>71</b>	<b>50</b>	<b>1,165</b>	<b>5</b>	<b>1,291</b>
<b>Net incoming/(outgoing) resources before transfers</b>	<b>(29)</b>	<b>(39)</b>	<b>(24)</b>	<b>(5)</b>	<b>(97)</b>
Gross transfers between funds	1,609	-	24	-	1,633
<b>Net incoming/(outgoing) resources before other recognised gains and (losses)</b>	<b>1,580</b>	<b>(39)</b>	<b>-</b>	<b>(5)</b>	<b>1,536</b>
<b>Other recognised gains</b>					
Gains on revaluation of fixed assets for charities own use					
Realised	214	-	-	-	214
Unrealised	(2,391)	-	-	-	(2,391)
<b>Net movement in funds</b>	<b>(597)</b>	<b>(39)</b>	<b>-</b>	<b>(5)</b>	<b>(641)</b>
Total funds at 1 January 2009	3,705	47	-	5	3,757
<b>Total funds at 31 December 2009</b>	<b>3,108</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>3,116</b>



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**30 Restricted Fund Summary**

	<b>Diocesan Pastoral Account</b>	<b>New Churches Fund</b>	<b>Keswick Fund</b>	<b>Restricted Funds Total</b>
	£000	£000	£000	£000
<b>Fixed Assets</b>				
Tangible assets	-	-	-	-
Investments	1,258	-	-	1,258
	<u>1,258</u>	<u>-</u>	<u>-</u>	<u>1,258</u>
<b>Current Assets</b>				
Stock and work in progress	142	-	-	142
Debtors Due within one year	1,562	8	3	1,573
Due in more than one year	165	-	-	165
Cash at bank and in hand	-	-	-	-
	<u>1,869</u>	<u>8</u>	<u>3</u>	<u>1,880</u>
<b>Current Liabilities</b>				
Creditors amounts falling due within one year	19	-	3	22
	<u>1,850</u>	<u>8</u>	<u>-</u>	<u>1,858</u>
<b>Net Current Assets/ (Liabilities)</b>				
	<u>3,108</u>	<u>8</u>	<u>-</u>	<u>3,116</u>
<b>Net Assets</b>				
	<u>3,108</u>	<u>8</u>	<u>-</u>	<u>3,116</u>

**The Funds of the Charity**

Restricted income funds				
Other reserves	3,108	8	-	3,116
<b>Total Funds</b>	<u>3,108</u>	<u>8</u>	<u>-</u>	<u>3,116</u>

### **31 Restricted Fund Summary**

#### **Diocesan Pastoral Account**

The purposes are laid down in Section 78 of the Pastoral Measure 1983 and mainly relate to

- Costs incurred for the purposes of the Measure or any Scheme or order made by the Measure except for salaries of regular diocesan employees
- Costs of disposing of or maintaining houses or churches vested in the DBF or Commissioners
- Costs incurred for the benefit of another diocese(s)
- Transfers to the Diocesan Stipend Fund Capital or Income Funds

#### **New Churches Fund**

This fund is used to fund the establishment of new church buildings

#### **Diocesan Stipends Fund Income Account**

Subject to any charges imposed by Scheme or order the Fund shall be applied to

- Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese
- Meet expenses incurred in repairing and maintaining parsonage houses
- Pay secondary Class 1 contributions in respect of ministers not employed under a contract of service
- Defray sequestrators' expenses

#### **Keswick Fund**

This fund is the Collective Worship Initiative. It is administered by the Youth Officer to establish collective worship in secondary schools

**ELY DIOCESAN BOARD OF FINANCE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**32 Expendable Endowment Summary**

	<b>Stipends Capital Fund</b>	<b>Glebe</b>	<b>Team Vicarage Fund</b>	<b>Parsonage Houses Fund</b>	<b>Schools Fund</b>	<b>Expendable Endowment Funds total</b>
	£000	£000	£000	£000	£000	£000
<b>Incoming Resources</b>						
<b>Incoming Resources from Generated Funds.</b>						
Voluntary income Other	-	-	-	-	139	139
Investment income	-	1	-	-	89	90
<b>Incoming Resources from Charitable Activities</b>						
Schools	-	-	-	-	15	15
<b>Other Incoming Resources</b>	-	-	-	-	11	11
<b>Total Incoming Resources</b>	-	1	-	-	254	255
<b>Resources Expended</b>						
<b>Cost of generating voluntary income</b>						
Glebe expenses	-	1	-	-	-	1
<b>Charitable activities</b>						
Resourcing ministry and mission	21	-	-	-	-	21
Schools Direct	-	-	-	-	150	150
Grants (Church School projects)	-	-	-	-	41	41
Support	-	-	-	-	90	90
Interest payable	-	-	-	-	5	5
<b>Governance costs</b>	-	-	-	-	5	5
<b>Total Resources Expended</b>	21	1	-	-	291	313
<b>Net incoming/(outgoing) resources before transfers</b>	(21)	-	-	-	(37)	(58)
Gross transfers between funds	181	(181)	-	(3,727)	-	(3,727)
<b>Net incoming/(outgoing) resources before other recognised gains and (losses)</b>	160	(181)	-	(3,727)	(37)	(3,785)
<b>Other recognised gains and (losses)</b>						
Gains / (losses) on revaluation of fixed assets for charities own use						
Realised	-	144	-	-	-	144
Unrealised	-	246	100	2,124	117	2,587
Gains / (losses) on revaluation of current assets for charities own use						
Realised	-	-	-	-	-	-
Unrealised	-	-	-	1,184	12	1,196
Gains / (losses) on investment assets						
Realised	10	-	-	-	-	10
Unrealised	1,405	-	-	-	136	1,541
<b>Net movement in funds</b>	1,575	209	100	(419)	228	1,693
Total funds at 1 January 2009	14,937	3,695	2,036	62,392	2,690	85,750
<b>Total funds at 31 December 2009</b>	16,512	3,904	2,136	61,973	2,918	87,443

**ELY DIOCESAN BOARD OF FINANCE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**33 Expendable Endowment Summary**

	<b>Stipends Capital Fund</b>	<b>Glebe</b>	<b>Team Vicarage Fund</b>	<b>Parsonage Houses Fund</b>	<b>Schools Fund</b>	<b>Expendable Endowment Funds total</b>
	£000	£000	£000	£000	£000	£000
<b>Fixed Assets</b>						
Tangible assets	-	3,747	2,136	57,173	502	63,558
Investments	15,876	-	-	-	1,663	17,539
	<u>15,876</u>	<u>3,747</u>	<u>2,136</u>	<u>57,173</u>	<u>2,165</u>	<u>81,097</u>
<b>Current Assets</b>						
Stock and work in progress	-	-	-	-	-	-
Debtors Due within one year	883	-	-	-	1,351	2,234
Due in more than one year	57	-	-	-	29	86
Tangible assets	-	157	-	4,800	-	4,957
Cash at bank and in hand	-	-	-	-	4	4
	<u>940</u>	<u>157</u>	<u>-</u>	<u>4,800</u>	<u>1,384</u>	<u>7,281</u>
<b>Current Liabilities</b>						
Creditors amounts falling due within one year	304	-	-	-	631	935
	<u>636</u>	<u>157</u>	<u>-</u>	<u>4,800</u>	<u>753</u>	<u>6,346</u>
<b>Net Current Assets</b>						
	<u>636</u>	<u>157</u>	<u>-</u>	<u>4,800</u>	<u>753</u>	<u>6,346</u>
<b>Total Assets less Current Liabilities</b>	16,512	3,904	2,136	61,973	2,918	87,443
<b>Creditors, amounts falling due after more than one year</b>	-	-	-	-	-	-
<b>Provisions for liabilities and charges</b>	-	-	-	-	-	-
<b>Net Assets</b>	<u>16,512</u>	<u>3,904</u>	<u>2,136</u>	<u>61,973</u>	<u>2,918</u>	<u>87,443</u>
<b>The Funds of the Charity</b>						
Endowment funds						
Revaluation reserve	3,789	3,904	1,148	34,869	1,130	44,840
Designated reserves	-	-	-	-	32	32
Other reserves	12,723	-	988	27,104	1,756	42,571
<b>Total Funds</b>	<u>16,512</u>	<u>3,904</u>	<u>2,136</u>	<u>61,973</u>	<u>2,918</u>	<u>87,443</u>

### **34. Expendable Endowment Summary**

#### **Stipends Capital Fund, Glebe and Team Vicarage Fund**

These are capital funds held under the terms of the Endowments and Glebe Measure 1976 and the Miscellaneous Provisions Measure 1992 and principally comprise freehold properties and shares in the CBF Investment Fund, CBF Property Fund and the CBF Deposit Fund. Together they form the Diocesan Stipends Fund. Receipts arise mainly from the sale of glebe properties, grants of easement, and variations of restricted covenants.

#### **Parsonage Houses Fund**

This Fund represents the stock of parsonage houses, i.e. houses held as benefice property for occupation by incumbents. A parsonage house is required for each benefice and the funding of improvements and new and replacement parsonage houses is the responsibility of the Board.

#### **Schools Fund**

The income of these funds primarily represents income investments and donations. The Fund balance is made up of the proceeds from closed schools and donations and is used primarily towards improvement costs at Church Aided Schools.

During the year the Schools Fund expended £41k on projects as agent for the Schools' Governing bodies.

### **35. Pensions**

#### **a) Church of England Funded Pension Scheme**

The Ely Diocesan Board of Finance participates in the Church of England Funded Pensions Scheme and employs 148 members of the Scheme out of a total membership of approximately 10,000 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the Ely Diocesan Board of Finance is unable to identify its share of the underlying assets and liabilities - each employer in that Scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31st December 2006. This revealed a shortfall of £141m, with assets of £468m and a funding target of £609m, assessed using the following assumptions:

- An investment strategy of a nil allocation to gilts for the next 10 years, increasing linearly to reach 30% after 20 years, and the balance of the assets in equities,
- Investment returns of 4.25% pa on gilts and 5.75% pa on equities,
- RPI inflation of 3.1% pa (and pension increases consistent with this),
- Increase in pensionable stipends 4.6% pa, and
- Post-retirement mortality in accordance with the PA00 tables, adjusted so that members are assumed to be two years younger than they actually are, with allowance for future improvements according to the "medium cohort" projections, and subject to a minimum annual improvement in mortality rates of 1% for males and 0.5% for females.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS17 requires the Board to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Following the results of the valuation, and some agreed changes to benefits, the Board's contribution rate decreased from 39.8% to 39.7% of pensionable stipends with effect from 1st April 2008. The contribution rate was subsequently increased to 45% of pensionable stipends with effect from 1st January 2010, reflecting unfavourable investment experience and changes in financial market conditions. A new valuation of the Scheme is being carried out as at 31st December 2009.

#### **b) Church of England Defined Benefits Scheme**

The Ely Diocesan Board of Finance participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pensions Fund. During the year to 31st December 2009, the Board made contributions of £181,864 and this has been taken as the pension cost shown in these accounts, as explained below.

### 35 Pensions (continued)

#### b) Church of England Defined Benefits Scheme (continued)

It is not possible for an individual employer to determine its share of the underlying assets and liabilities as each employer, though the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. In such cases, FRS17 requires the employer to account for its contribution to the DBS as if it were a defined contribution scheme but to make certain additional disclosures based on available information. The required disclosures, together with a description of the operation of the DBS, are following.

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 Scheme 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 Scheme 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.

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 visa versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent being as at 31st December 2007. In this valuation, the Life Risk Section was shown to be in deficit by £5.5m and some £4.4m was notionally transferred from the employers' sub-pools to the Life Risk Pool. Of this, £26,100 was deducted from the Board's sub-pool. This increased the employer's contributions that would otherwise have been payable. Other available information relating to the valuation as at 31st December 2007 is given below.

Market value of the DBS	£176.6m
Market value of the Board's sub-pool	£1,678m
Market value of Life Risk Pool (1,140 pensioners)	£67.7m
	<b>Board members</b>
Deferred pensioners	13
Active members	22

The pension contribution rate increased from 31% to 42% as a result of additional funding required to repay the deficit.

### 36. Historical cost profits for the year

	2009	2008
	£000	£000
Net outgoing resources before other recognised gains and losses	(398)	(343)
Realised gains on revaluation of fixed assets for charities own use	358	1,240
Realised (losses)/ gains on investment assets	10	(19)
Net incoming/ (outgoing) resources after realised gains and losses	(30)	878
Transfer of realised revaluation from revaluation reserve	(3)	1,183
Historical profit	(33)	2,061

### 37. Trust Funds

The Board acts as custodian trustee of a number of trusts in the Diocese. The invested capital of these trusts, which is vested in the Board as a custodian trustee but which does not form part of the Board's assets, amounted to £9,773,120 at 31 December 2009 (2008 £9,253,539) made up as follows:

	2009	2009	2008	2008
	Cost	Valuation	Cost	Valuation
	£000	£000	£000	£000
Miscellaneous listed investments	257	634	256	636
Central Board of Finance				
Investment Fund shares	2,524	5,933	2,486	5,333
Fixed interest securities fund units	489	530	370	431
Deposits	2,618	2,618	2,796	2,796
Cash at bank	58	58	58	58
	5,946	9,773	5,966	9,254