
Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the year ended 31 December 2016

TUESDAY



A6EAVE22

A25

05/09/2017

#222

COMPANIES HOUSE

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details of the charitable company, its Trustees and Advisers	1
Trustees' Report	2 - 10
Independent Auditors' Report	11 - 12
Consolidated Statement of Financial Activities	13
Summary Income and Expenditure Account	14
Consolidated Balance Sheet	15
Charitable company Balance Sheet	16
Consolidated Cash Flow Statement	17
Notes to the Financial Statements	18 - 48

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charitable company, its Trustees and Advisers
For the year ended 31 December 2016

Trustees

Ex-Officio Directors
The Archbishop of Canterbury
The Bishop of Dover
Canon Raymond Harris, Chair
The Dean of Canterbury
The Archdeacon of Ashford
The Archdeacon of Canterbury
The Archdeacon of Maidstone
Mrs Amanda Cottrell
Mr Alasdair Hogarth
Revd Canon Andrew Sewell
Mr Philip Sibbald
Mrs Caroline Spencer
Revd Robert Stevenson
Elected Directors
Mr Phillip Bromwich
Revd Anthony Everett
Mrs Ann Foat
Revd Canon Stephen Lillicrap
Miss Miriam Oliver
Revd Canon Timothy Wilson

Company registered number

145650

Charity registered number

249972

Registered office

Diocesan House, Lady Woottons Green, Canterbury, Kent, CT1 1NQ

Diocesan Secretary

Canon Julian Hills

Independent auditors

haysmacintyre, 26 Red Lion Square, London, WC1R 4AG

Bankers

Lloyds Bank plc, 49 High Street, Canterbury, Kent, CT1 2SE

Solicitors

Mowl & Mowl, Trafalgar House, Gordon Road, Whitfield, Dover, Kent, CT16 3PN

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Trustees' Report
For the year ended 31 December 2016

The Trustees present their annual report together with the audited financial statements for the year ended 31 December 2016.

SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND

The Church of England is organised as two provinces each led by an archbishop - Canterbury for the southern province and York for the northern. Each province comprises dioceses, of which there are 41 in England. Each diocese is divided into deaneries and each deanery then into parishes, and each parish is overseen by a parish priest (usually called a vicar or rector). From ancient times through to today, they and their bishop are 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 of the senior bishops sit in the House of Lords.

The Church of England is episcopally-led; there are 106 bishops including Diocesan Bishops 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. Its members belong to one of three groups or houses: the House of Bishops, the House of Clergy and the House of Laity, and meets in London or York at least twice annually to consider matters for the broader good of the Church.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The Canterbury Diocesan Board of Finance (CDBF or the Board) was formed under the Diocesan Boards of Finance Measure 1925 to be the registered company of the Diocese to manage its financial affairs and hold its assets. Every member of Diocesan Synod is a member of the CDBF for company law purposes, and similarly Archbishop's Council comprises the Board of Directors. The Board is a company limited by guarantee and as such has no share capital. The Board is a registered charity and takes exemption from taxation on its charitable activities as afforded under Part 11, CTA 2010.

The charitable company and the group is constituted under a Memorandum of Association dated 29 December 1916 and is a registered charity, number 249972.

The principal object of the charitable company and the group is to promote and assist the work of the Church of England for the advancement of the Christian religion in the Diocese of Canterbury.

b. Method of appointment or election of Trustees

The management of the charitable company and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. Policies adopted for the induction and training of Trustees

At the first meeting of the triennium, time is set aside for the induction and training of all directors and further training is provided where necessary during the course of the triennium to ensure that directors are kept fully informed of their responsibilities. Diocesan officers are always on hand to advise directors on supplementary issues.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 December 2016

d. Organisational structure and decision making

The Board is organised so that the directors meet regularly to shape and monitor diocesan strategy as well as to fulfil its statutory obligations. The Frameworks (see below under policies and objectives) meet frequently to plan their own priorities and make appropriate decisions in support of the overriding strategies and objectives of the Diocese of Canterbury. The principal officers manage the day to day administration in conjunction with Archbishop's Council and respective frameworks as appropriate. The remaining staff assist in administration.

The Board, as Archbishop's Council, is responsible for working with the Bishop of Dover to shape the diocesan strategy and to monitor the outworking of that strategy. It sets overall objectives and priorities. The outworking of those objectives and strategies for the Diocese of Canterbury is conducted through five overarching frameworks.

e. Related party relationships

CDBF is required to make certain annual payments to the national Archbishops' Council towards the running costs of the National Church. The stipends of all parish priests are paid initially by the Church Commissioners but these are then reimbursed by CDBF. The stipend of the Bishop of Dover together with the salaries of appropriate secretarial support are borne by the Church Commissioners and are not included in these statements. The Board considers that the following are subsidiary companies or connected charities:

Subsidiary Companies

- Canterbury Diocesan Enterprises Ltd (CDEL) (formerly Canterbury Diocesan Strategic Developments Ltd)
- Diocesan Architectural Service Ltd (DASL)
- Ethos School Improvement Ltd (eSIL)

Connected Charities

- Together Canterbury

f. Risk management

The Trustees have assessed the major risks to which the charitable company and the group is exposed, in particular those related to the operations and finances of the charitable company and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The directors, through the Finance and Assets Committee, undertook a comprehensive review of the strategic, business and operational risks in 2016. The directors confirm that systems are in place to ensure that exposure to significant risk is mitigated.

The key risks facing the Board of Finance are:

- Non-payment of full Parish Share
- Cash flow restrictions arising from the timing of income and capital transactions
- A failure to take appropriate safeguarding precautions and implement suitable policies to protect all those who come within the care of our churches
- Poor investment performance leading to loss of capital values
- Ongoing and widening pension fund deficits
- IT and systems failures

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 December 2016

OBJECTIVES AND ACTIVITIES

a. Policies and objectives

In common with the Church of England the Diocese strives to ensure that in every local community there should be a worshipping, welcoming and serving congregation, working with Christians of other traditions and people of goodwill, witnessing to the transforming power of the love of God as seen in Jesus. There are 3 key objectives that the Diocese has adopted and therefore aims to achieve:

- Growth – both numerical and spiritual
- Reimagining ministry
- Building partnerships that enrich communities

There are 3 frameworks within the diocesan organisation which primarily serve the delivery of each of these key objectives respectively:

- Local Church Development
- Licensed Ministries
- Communities & Partnerships

In addition there are 2 other frameworks

- Children Schools and Young People – serving all three objectives within the under-eighteen age group
- Resource Management & Compliance – underpinning the work of all other frameworks.

In 2014 Archbishop's Council developed key priorities for each of the 5 frameworks that would underpin their work and the money that they would spend. During 2015 the Council decided that these priorities needed to be "SMART" and accordingly have agreed that for 2016 they should reflect:

- The values we will promote and develop
- The future leadership we will grow and develop
- The way we will work together
- The resources that we will seek

At the November 2016 synod each of the frameworks presented highlights of what they had done towards achieving these priorities.

All staff at Diocesan House are associated with one or more frameworks and are committed to delivering these key objectives and priorities and thereby support local mission, ministry and community. The clergy and laity in the parishes have every cause to be grateful for the manner in which they are served by the staff at Diocesan House.

b. Strategies for achieving objectives

During 2016 the diocese developed strategies for meeting its objectives which were encompassed in "A Diocesan Strategy for Renewal". The overall objective of this strategy is to be rooted in prayer, courageously led and diverse in age. The strategy for renewal has four key strands:

- Mission accompaniers and growth toolkit
- Canterbury Leadership Community
- Missional community of prayer
- Youth ministry resource churches

This strategy will be developed further during 2017.

In October 2016 the Diocese was the subject of a peer review conducted by a panel of reviewers appointed by the Church Commissioners. The panel was impressed by the diocese's forward looking approach to finance as

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 December 2016

in its 5 year Financial Strategy Plan, but urged the senior staff to develop a written strategy which was capable of achieving a significant increase in mission strength and which will inspire deaneries and parishes to play their part in delivering the strategy.

c. Grant making policies

There are a number of grants offered to parishes and deaneries for the purposes of assisting in parochial mission and ministry. These are

- Support of strategic missional posts – agreed in conjunction with deaneries and archdeacons
- Transitional support for loss of occasional office fees – specific formula for determining grant levels
- Support of parochial mission initiatives - made upon application through the relevant deanery to support those seeking to implement the Diocese's missional objectives
- Support for the transition from House for Duty Ministry to Part Time Ministry

The full criteria for these grants are displayed on the diocesan website. Other grants are made on an ad hoc basis in accordance with the terms of each fund as detailed in note 24 to the accounts.

ACHIEVEMENTS AND PERFORMANCE

a. Key financial performance indicators

The rate of Parish Share collection improved from 94.9% to 97.4%, partly as a result of the benefits flowing through from pastoral reorganisations.

Net current assets (working capital) increased from £2.5m to £3.6m. This is in excess of the target range of between £1.5m and £2.0m and reflects an increase in fixed assets held for sale.

b. Review of activities

The Diocese continues to strive to resource effective mission, ministry and growth throughout its parishes in East Kent. Working with Mission Action Planning many parishes and deaneries are capturing the vision for new approaches and new forms of Church which is transforming growth and spiritual development. Wherever possible, archdeacons and diocesan officers (often acting as deanery companions) work closely with deaneries to re-energise the mission and ministry of struggling parishes. There are many cases now where mission plans have been agreed and transitional finance provided which has transformed Christian communities in bringing about new hope, where seemingly all had been lost. However, there are still a number of new cases where parishes are struggling to resource an effective mission and ministry to their community.

At the start of 2017 the Diocese launched The Canterbury Pilgrim Prayer Pack, a valuable new resource to support and encourage different ways of praying. This pack accords with the 'Rooted in Prayer' aspect of the emerging diocesan strategy presented at the November 2016 Diocesan Synod and the Bishop of Dover has called the whole Diocese to a day of prayer and fasting on 18 November 2017.

The Diocese also developed its Financial Strategy Plan for the period 2016-2021 looking at the challenges faced by the Diocese in the coming 5 years. Significant challenges include financing the higher number of ordinands coming forward, the below benchmark level of clergy stipends and the ability of some parishes to meet parish share.

The independent enquiry established by Rochester and Canterbury dioceses to investigate the treatment of the girls' home in Gravesend during the 1960's was concluded during the course of the year. The report made a number of recommendations which are in the course of being implemented. It was agreed with the Diocese of Rochester that the cost of the enquiry, together with ex gratia payments to the victims as recommended by the

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 December 2016

enquiry, amounted to £150k for the 50% share of the diocese. Any claims for compensation by the victims of the home have been dealt with by our insurers.

c. Income generation

The Diocese receives around 79% of its regular income from the Parish Share, which is a voluntary payment from parishes. The apportionment method for Parish Share has been the subject of a number of reviews over the past five years and is approved by Archbishop's Council and Diocesan Synod.

The Church Commissioner grants are awarded on the basis of allocating money to the poorest dioceses.

The Diocese receives an allocation from the Allchurches Trust which allocates a proportion of the profits from Ecclesiastical Insurance to dioceses.

d. Investment policy and performance

The year saw improvements in investment markets as the world economy enjoyed continuing recovery and the Diocese saw an appreciation in value of £356k against an increase of £150k in 2015. The directors are grateful for the advice from CCLA Management Ltd who manage our investments.

The investment policy for 2016 was

- To keep surplus liquid funds on short term deposit
- To maintain holdings of longer term investments at the following holding levels:
 - Investment Fund (60%)
 - Property Fund (30%)
 - Fixed Interest Fund (10%).
- To pool investments across the funds of the Diocese so that returns on investment are consistent and not dependent upon the levels and denomination of investment held.

The policy is reviewed with CCLA every year.

Investments held by the Board have been acquired in accordance with powers available to the directors under the Company's Memorandum and Articles of Association and the Trustee Act 2000.

e. Going concern

The Board believes that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

FINANCIAL REVIEW

a. Financial risk management objectives and policies

Archbishop's Council continues to work diligently to secure the financial position of the Diocese whilst at the same time promoting effective mission, ministry and community throughout the area. The Church of England exists to promote the Gospel of Christ in every community and the Diocese sees that the furtherance of that aspiration is the only way to secure the future of the Anglican Church in this Diocese. This is a difficult balance to achieve.

The Board's subsidiary company, Canterbury Diocesan Enterprises Ltd (CDEL), is responsible for adopting a strategic approach to all property assets and maximising the value of any disposal proceeds. This company

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 December 2016

continues to work on a number of key projects and advises on property aspects of pastoral reorganisation and it continues to deliver vital resources to help the work of CDBF. With effect from 1 June 2017 the operations of Diocesan Architectural Services Ltd (DASL) were merged into CDEL and CDEL now provides the property management and property maintenance services previously undertaken by DASL.

The total funds of the Diocese include the value of all benefice parsonages within the parishes and these were valued at £61.7m in 2016, before the transfer of those benefice parsonages which form part of fixed assets held for sale. CDBF is engaged on a rolling five year process of revaluations of these properties. These properties are included in endowment funds recognising that they remain benefice property, although should they cease to be used as ministry houses then ownership is transferred to CDBF.

General funds showed a net increase (before revaluation of investments and fund transfers) of £73k in the year (2015: deficit of £385k). In 2016 £nil (2015: £300k) was transferred from the Diocesan Pastoral Account to assist with the funding of parsonage maintenance. In 2016 £113k (2015: £nil) was transferred to the endowment fund in respect of the net movement in pension deficit funding of the Church of England Funded Pension Scheme for stipendiary clergy.

This movement in unrestricted funds included the following significant items:

	2016	2015
	£000	£000
Provision for write off of parish share arrears	(176)	(389)
Kendall House enquiry	(150)	-
Net gain on disposal of properties	84	1

Under FRS102 the Board is required to account for any deficit in the clergy and laity pension fund schemes. These provisions are £3.20m (2015: £3.79m) for the Diocese's proportion of the national clergy scheme and £0.27m (2015: £0.34m) for the laity scheme. The Board's funds at 31 December 2016 stood at £76.4m (2015: £75.8m) comprising:

	2016	2015
	£000	£000
Unrestricted funds:		
General funds	361	363
Designated funds	11,295	11,185
Restricted funds	1,517	1,469
Endowment funds	63,186	62,829

The directors are aware that most of these funds are represented by ministry housing and the Board is reviewing its policy on the sale of empty property to improve the level of working capital. The Board is committed to proactively working with deaneries and parishes to ensure parish mission and ministry is fully funded.

b. Reserves policy

The Board's policy is to hold working reserves (immediately available in undesignated investments and cash) of between 15% and 20% of its annual budget. In 2016 this would require working reserves of between £1.5m and £2.0m. The working reserves are regarded as the minimum necessary to enable the Board to withstand cash flow fluctuations in the course of its normal business. At the end of 2016 the Board's working reserves were £2.6m.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 December 2016

c. Principal funding

Around 79% (2015:76%) of the regular income of CDBF came from Parish Share, 8% (2015:9%) from Church Commissioner allocations and 5% (2015:7%) from parochial fees. The remaining 8% (2015: 8%) came from other fees and services provided.

PLANS FOR THE FUTURE

a. Future developments

The Archbishop's Council will continue to achieve its 3 key objectives by working through its 5 frameworks and developing appropriate ongoing priorities in order to serve the achievement of these objectives. Resources will be made available through the budget for this purpose. Archbishop's Council is also committed to Mission Action Planning across the Diocese and this is supported by a process of mission accompaniment. Archbishop's Council places great emphasis on the communication of these initiatives with deaneries and parishes and is committed to telling the good news stories of success in mission and ministry that abound throughout the Diocese. It is also working in concert with the National Church to prepare for the impact of changes in the grant funding of dioceses by the Church Commissioners and to respond to the wider areas of review of the Archbishops' Task Force Reports.

The Archbishop's Council continues to work to agree a diocesan strategy for renewal in 2017 and this will come to Diocesan Synod in July 2017 for approval. As part of the resourcing of this strategy the council has agreed that the current Diocesan House is not fit for purpose and alternative provision should be sought somewhere in the diocese.

b. Pay policy for senior staff

Senior Clergy are paid according to stipend scales set by the national church. The stipends for the Bishop of Dover and the Archdeacon of Maidstone (in lieu of the unused Bishop of Maidstone post) are borne by the Church Commissioners. The stipend of the Archdeacon of Canterbury is borne principally by Canterbury Cathedral. The stipend of the Archdeacon of Ashford is borne by CDBF.

CDBF uses a system of job evaluation to grade all its staff appropriately and each is then assigned a particular pay point on that grade. This system operates for all key diocesan staff but each is then compared to the averages across all dioceses in the southern province. The HR committee then formally agree the appropriate salary in the light of these variables.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Board acts as Custodian Trustee in respect of trusts administered on behalf of managing trustees, which includes incumbents, churchwardens, Parochial Church Councils and other organisations of the Diocese. The assets held in the capacity of Custodian Trustee include freehold property and investments.

The Board also administers funds, on behalf of Parochial Church Councils, on an agency basis for investment and obtains income tax repayments, relating to Gift Aid, on behalf of parishes and other diocesan organisations.

The tax recovered during 2016 was £1.42m (2015:£1.51m).

In 2000 the Board arranged for the Central Board of Finance Investment Office to take over the administration of investments held on behalf of parishes, with the exception of Endowment Funds. The Board is still administering

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 December 2016

investments with a book value of £3.8m (2015:£3.6m). The assets of these funds are held separately from those of the Board.

In 2014 agreement was made with Winchester Diocese whereby the Board was to act as an agent for the collection and disbursement of parish share from the deaneries of Guernsey and Jersey. A fee is charged for this service and there is no adverse financial effect on the Diocese.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Canterbury Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

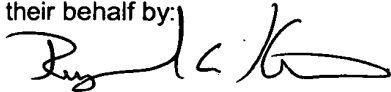
Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 December 2016

AUDITORS

The auditors, haysmacintyre, have indicated their willingness to continue in office and a resolution proposing their reappointment will be put to the Annual General Meeting.

This report, incorporating the Strategic Report, was approved by the Trustees on 15 June 2017 and signed on their behalf by:



Canon Raymond Harris
Trustee

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Canterbury Diocesan Board of Finance

We have audited the financial statements of Canterbury Diocesan Board of Finance for the year ended 31 December 2016, which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

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

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Canterbury Diocesan Board of Finance

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

- the charitable company and group have not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



A Halsey (Senior Statutory Auditor)

for and on behalf of

haysmacintyre

Chartered Accountants

26 Red Lion Square
London
WC1R 4AG

Date: 15 June 2017

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Consolidated Statement of Financial Activities Incorporating Income and Expenditure Account
For the year ended 31 December 2016

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Endowment funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Income and endowments from:						
Donations and legacies	2	8,629	-	-	8,629	8,162
Other trading activities	3,4	373	-	-	373	572
Investments	5	196	-	-	196	236
Other income	6	728	105	115	948	1,667
Total income and endowments		9,926	105	115	10,146	10,637
Expenditure on:						
Raising funds	4,7	478	-	-	478	594
Charitable activities	9,11	9,334	107	16	9,457	9,961
Total expenditure		9,812	107	16	9,935	10,555
Net income / (expenditure) before investment gains		114	(2)	99	211	82
Net gains on investments	19	107	50	199	356	150
Net income before transfers		221	48	298	567	232
Transfers between funds	24	(113)	-	113	-	-
Net income before other recognised gains and losses		108	48	411	567	232
Gains/(losses) on revaluations of fixed assets	17	-	-	(54)	(54)	3,529
Net movement in funds		108	48	357	513	3,761
Reconciliation of funds:						
Total funds brought forward		11,548	1,469	62,829	75,846	72,085
Total funds carried forward		11,656	1,517	63,186	76,359	75,846

All activities relate to continuing operations.

The notes on pages 18 to 48 form part of these financial statements.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Summary Income and Expenditure Account
For the year ended 31 December 2016

		Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	<i>Total funds 2015 £000</i>
	Note				
Income		9,926	105	10,031	<i>10,637</i>
Gains on investments		107	50	157	<i>102</i>
Gross income in the reporting period		10,033	155	10,188	<i>10,739</i>
Less: Total expenditure		9,812	107	9,919	<i>10,555</i>
Net income for the year before transfers		221	48	269	<i>184</i>
Transfers between funds	24	(113)	-	(113)	<i>(3,224)</i>
Net income for the year after transfers		108	48	156	<i>(3,040)</i>
Net income for the financial year	24	108	48	156	<i>(3,040)</i>

The notes on pages 18 to 48 form part of these financial statements. The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All activities relate to continuing operations.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)
Registered number: 145650

Consolidated Balance Sheet
As at 31 December 2016

	Note	£000	2016 £000	£000	2015 £000
Fixed assets					
Tangible assets	17	71,774		73,182	
Investment property	18	10		10	
Total tangible assets			71,784		73,192
Investments	19		5,379		5,043
			77,163		78,235
Current assets					
Fixed assets held for sale		3,471		2,179	
Stocks	20	97		126	
Debtors	21	1,013		946	
Cash at bank and in hand		2,309		1,996	
		6,890		5,247	
Creditors: amounts falling due within one year	22	(3,248)		(2,747)	
Net current assets			3,642		2,500
Total assets less current liabilities			80,805		80,735
Creditors: amounts falling due after more than one year	23		(4,446)		(4,889)
Net assets			76,359		75,846
Charity Funds					
Endowment funds	24		63,186		62,829
Restricted funds	24		1,517		1,469
Unrestricted funds	24		11,656		11,548
Total funds			76,359		75,846

The financial statements were approved by the Trustees on 15 June 2017 and signed on their behalf by:



Canon Raymond Harris, Chair



The Bishop of Dover

The notes on pages 18 to 48 form part of these financial statements.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)
Registered number: 145650

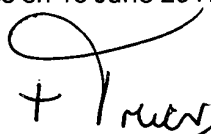
Charitable company Balance Sheet
As at 31 December 2016

	Note	£000	2016 £000	£000	2015 £000
Fixed assets					
Tangible assets	17	71,774		73,182	
Investment property	18	10		10	
Total tangible assets			71,784		73,192
Investments	19		5,414		5,137
			77,198		78,329
Current assets					
Fixed assets held for sale		3,471		2,179	
Debtors	21	1,141		1,048	
Cash at bank		2,268		1,933	
		6,880		5,160	
Creditors: amounts falling due within one year	22	(3,251)		(2,753)	
Net current assets			3,629		2,407
Total assets less current liabilities			80,827		80,736
Creditors: amounts falling due after more than one year	23		(4,446)		(4,889)
Net assets			76,381		75,847
Charity Funds					
Endowment funds	24		63,186		62,829
Restricted funds	24		1,517		1,469
Unrestricted funds	24		11,678		11,549
Total funds			76,381		75,847

The financial statements were approved by the Trustees on 15 June 2017 and signed on their behalf by:



Canon Raymond Harris, Chair



The Bishop of Dover

The notes on pages 18 to 48 form part of these financial statements.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Consolidated Cash Flow Statement
For the year ended 31 December 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash used in operating activities	26	(422)	(946)
Cash flows from investing activities:			
Dividends, interest and rents from investments		378	467
Proceeds from the sale of tangible fixed assets		514	964
Purchase of tangible fixed assets		(399)	(1,341)
Proceeds from sale of investments		20	-
Net cash provided by investing activities		513	90
Cash flows from financing activities:			
Repayments of borrowings		(200)	-
Cash inflows from new borrowing		422	-
Net cash provided by financing activities		222	-
Change in cash and cash equivalents in the year		313	(856)
Cash and cash equivalents brought forward		1,996	2,852
Cash and cash equivalents carried forward		2,309	1,996

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Canterbury Diocesan Board of Finance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

No separate SOFA has been presented for the charitable company alone as permitted by section 408 of the Companies Act 2006.

1.2 Company status

The charitable company is a company limited by guarantee, company number 145650. The members of the company are the trustees named on page 1. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1 per member of the charitable company. The company's address and other reference information is shown on page 1.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are those held on trust to be retained for the benefit of the charity as a capital fund. They may be permanent or expendable.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

1. Accounting Policies (continued)

1.4 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charitable company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charitable company, or the charitable company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

1. Accounting Policies (continued)

1.6 Basis of consolidation

The financial statements consolidate the accounts of Canterbury Diocesan Board of Finance and all of its subsidiary undertakings ('subsidiaries').

The charitable company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure Account. Gross income of the charitable company of £9,695k (2015: £9,750k) and net income of £154k (2015: net expenditure of £383k) has been dealt with in the accounts of the charitable company.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	20% - 33% straight line
------------------	---	-------------------------

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case investments are measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

1. Accounting Policies (continued)

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Pensions

The charitable company operates four pension schemes as more fully described in note 28:

- i) A defined benefits scheme for clergy - the Church of England Funded Pensions Scheme
- ii) A defined benefits scheme for certain diocesan staff now closed to new staff - the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund
- iii) A defined benefits scheme - the Church of England Pension Builder Classic Scheme, part of the Church Workers Pension Fund
- iv) A defined contribution pension scheme for diocesan staff not included in the above schemes

The pension costs charged as resources expended represent the CDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which CDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

1. Accounting Policies (continued)

1.17 Benefice property

CDBF has followed the requirements of FRS102 in its accounting treatment for benefice houses. FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. CDBF is formally responsible for the maintenance and repair of benefice houses and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. CDBF 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 value. Benefice houses are revalued on a five year cycle by professional valuers and the whole portfolio is reviewed annually against insurance valuation.

1.18 Judgements and areas of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The Trustees consider valuation of benefice properties and pensions liabilities to be the areas of judgement and estimation that have a significant effect on the financial statements. Further details on these judgements is given in notes 17 and 28 respectively.

2. Income from donations and legacies

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Endowment funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Parish share	7,561	-	-	7,561	7,176
Other donations	9	-	-	9	4
Church Commissioners	804	-	-	804	823
Allchurches Trust	121	-	-	121	118
Other grants	34	-	-	34	41
Legacies	100	-	-	100	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	8,629	-	-	8,629	8,162
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

3. Activities for raising funds

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Endowment funds 2016 £000	Total funds 2016 £000	<i>Total funds 2015 £000</i>
Rent receivable	182	-	-	182	231
	<u>182</u>	<u>-</u>	<u>-</u>	<u>182</u>	<u>231</u>

4. Trading activities

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Endowment funds 2016 £000	Total funds 2016 £000	<i>Total funds 2015 £000</i>
Subsidiary trading income					
United Kingdom	191	-	-	191	341
Fundraising trading expenses					
Fundraising trading expenses except salary costs	114	-	-	114	66
Wages and salaries	205	-	-	205	366
Social security costs	19	-	-	19	30
Pension costs	19	-	-	19	28
	<u>357</u>	<u>-</u>	<u>-</u>	<u>357</u>	<u>490</u>
Net expenditure from trading activities	<u>(166)</u>	<u>-</u>	<u>-</u>	<u>(166)</u>	<u>(149)</u>

The above income represents work done by Diocesan Architectural Services Ltd and Canterbury Diocesan Enterprises Ltd for third parties outside of the group. Work done for CDBF of £89k has been eliminated from subsidiary trading income on consolidation.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

5. Investment income

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Endowment funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Investment income	193	-	-	193	224
Bank and other interest receivable	3	-	-	3	12
	<u>196</u>	<u>-</u>	<u>-</u>	<u>196</u>	<u>236</u>

6. Other income

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Endowment funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Parochial fees	461	-	-	461	638
Gains on property sales	84	-	115	199	726
Other income	183	105	-	288	303
	<u>728</u>	<u>105</u>	<u>115</u>	<u>948</u>	<u>1,667</u>

7. Costs of raising funds

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Endowment funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Parochial fee grants and expenses	121	-	-	121	104

The total cost of raising funds of £478k consists of the £121k above and £357k of trading expenditure as described in note 4 above.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

8. Analysis of grants

	Grants to Institutions	Total	<i>Total</i>
	2016	2016	<i>2015</i>
	£000	£000	<i>£000</i>
Parochial Ministry	483	483	412
Mission	305	305	387
Total	788	788	<i>799</i>

The development of diocesan grants using the Church Commissioner funding allocation continues to see the Diocese take a pioneering role in the Church of England in giving financial assistance to parishes to leverage their mission. In 2016 £689k (2015: £661k) was spent in targeting parishes which can most benefit missionally and ministerially from grant funding. A further £99k (2015: £138k) was spent on transitional grants to finance the extra costs of those former House for Duty priests who had moved onto a part-time stipend commensurate with the ministry time offered to their parish.

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	<i>Total funds</i>
	2016	2016	2016	2016	<i>2015</i>
	£000	£000	£000	£000	<i>£000</i>
Parochial Ministry	7,501	107	16	7,624	8,384
Training	897	-	-	897	843
Senior Clergy	61	-	-	61	57
Mission	855	-	-	855	645
Total	9,314	107	16	9,437	<i>9,929</i>

Summary by expenditure type

	Staff costs	Depreciation	Other costs	Total	<i>Total</i>
	2016	2016	2016	2016	<i>2015</i>
	£000	£000	£000	£000	<i>£000</i>
Parochial Ministry	4,963	41	2,621	7,625	8,384
Training	279	9	609	897	843
Senior Clergy	32	1	28	61	57
Mission	66	2	787	855	645
Total	5,340	53	4,045	9,438	<i>9,929</i>

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

10. Support costs

	Parochial Ministry	Training	Senior Clergy	Mission	Total 2016	<i>Total 2015</i>
Office costs	1,079	252	28	57	1,416	1,271
Wages and salaries	978	216	25	51	1,270	1,192
National insurance	94	21	2	5	122	98
Pension cost	188	42	5	10	245	234
Depreciation and operating leases	40	9	1	2	52	48
	2,379	540	61	125	3,105	2,843

Where costs cannot be directly attributed to particular headings they have been allocated or apportioned to activities on a basis consistent with the use of resources.

11. Governance costs

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Endowment funds 2016 £000	Total funds 2016 £000	<i>Total funds 2015 £000</i>
Auditor's remuneration	20	-	-	20	32

12. Analysis of resources expended by activities

	Activities undertaken directly 2016 £000	Grant funding of activities 2016 £000	Support costs 2016 £000	Total 2016 £000	<i>Total 2015 £000</i>
Parochial Ministry	5,132	113	2,379	7,624	8,384
Training	357	-	540	897	843
Senior Clergy	-	-	61	61	57
Mission	-	730	125	855	645
Total	5,489	843	3,105	9,437	9,929

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

13. Net income / (expenditure) before investment gains

This is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	31	32
Operating lease rentals	24	31
	<u>24</u>	<u>31</u>

14. Auditors' remuneration

	2016 £000	2015 £000
Fees payable to the charitable company's auditor and its associates for the audit of the charitable company's annual accounts	20	32
	<u>20</u>	<u>32</u>

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

15. Stipend and staff costs

Clergy and staff costs were as follows:

	2016	2015
	£000	£000
Wages, salaries and stipends	4,440	4,402
Social security costs	362	342
Other pension costs	782	841
	5,584	5,585

Of the above, £2,866,000 related to stipend payments to clergy (2015: £2,844,000) and £517,000 of other pension costs related to clergy stipends (2015: £578,000). The clergy and staff costs above consist of the charitable company and trading subsidiaries.

The average number of persons employed by the charitable company during the year, was as follows:

	2016	2015
	No.	No.
Clergy, Curates and Senior Staff	139	141
Diocesan House	53	50
Subsidiaries	7	12
	199	203

The number of higher paid employees was:

	2016	2015
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	0

Employer pension scheme costs in respect of the above employees were £38,000 (2016: £26,000).

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary
Diocesan Director of Ordinands
Director of Communications
Director of Communities and Partnerships
Director of Education
Director of Finance
Director of Strategic Property

Remuneration, pensions and expenses for these 7 employees amounted to £461,000 (2015: £357,000). The increase is mainly due to unfilled posts during 2015.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

16. Trustees' remuneration

	2016	2015
	£000	£000
Remuneration	9	13

During the year, Revd Robert Stevenson received remuneration as Managing Director of Diocesan Architectural Services Limited. Trustees received reimbursement of expenses of £19,507 (2015:£19,581) in respect of General Synod duties, duties as archdeacon and other duties as trustees.

The following table gives details of the Trustees who were in receipt of a stipend (including pension), part stipend and/or housing provided by CDBF during the year:

	Stipend	Housing
The Bishop of Dover	No	Yes
The Archdeacon of Ashford	Yes	Yes
The Archdeacon of Canterbury	Yes	No
The Archdeacon of Maidstone	No	Yes
Revd John Richardson	Yes	Yes
Revd Canon Andrew Sewell	Yes	Yes
Revd Anthony Everett	Yes	Yes
Revd Canon Stephen Lillicrap	Yes	Yes
Revd Canon Timothy Wilson	Yes	Yes

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

17. Tangible fixed assets

Group	Freehold property £000	Office equipment £000	Benefice property £000	Total £000
Cost or valuation				
At 1 January 2016	14,664	297	59,606	74,567
Additions	384	15	-	399
Disposals	(1,156)	(20)	(602)	(1,778)
Revaluation	-	-	(54)	(54)
At 31 December 2016	13,892	292	58,950	73,134
Depreciation				
At 1 January 2016	1,144	241	-	1,385
Charge for the year	-	31	-	31
On disposals	(36)	(20)	-	(56)
At 31 December 2016	1,108	252	-	1,360
Net book value				
At 31 December 2016	12,784	40	58,950	71,774
At 31 December 2015	13,520	56	59,606	73,182

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

17. Tangible fixed assets (continued)

Charitable company	Freehold property £000	Office equipment £000	Other fixed assets £000	Total £000
Cost or valuation				
At 1 January 2016	14,664	297	59,606	74,567
Additions	384	15	-	399
Disposals	(1,156)	(20)	(602)	(1,778)
Revaluation	-	-	(54)	(54)
At 31 December 2016	<u>13,892</u>	<u>292</u>	<u>58,950</u>	<u>73,134</u>
Depreciation				
At 1 January 2016	1,144	241	-	1,385
Charge for the year	-	31	-	31
On disposals	(36)	(20)	-	(56)
At 31 December 2016	<u>1,108</u>	<u>252</u>	<u>-</u>	<u>1,360</u>
Net book value				
At 31 December 2016	<u>12,784</u>	<u>40</u>	<u>58,950</u>	<u>71,774</u>
At 31 December 2015	<u>13,520</u>	<u>56</u>	<u>59,606</u>	<u>73,182</u>

18. Investment property

Group	Freehold investment property £000
Valuation	
At 1 January 2016 and 31 December 2016	<u>10</u>
Charitable company	Freehold investment property £000
Valuation	
At 1 January 2016 and 31 December 2016	<u>10</u>

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

19. Fixed asset investments

Group	Unlisted securities £000
Market value	
At 1 January 2016	5,043
Disposals	(20)
Revaluations	356
At 31 December 2016	<u>5,379</u>
Historical cost	<u>4,260</u>

Group investments at market value comprise:

	2016 £000	2015 £000
Unlisted investments	<u>5,379</u>	<u>5,044</u>

All the fixed asset investments are held in the UK in Church of England Central Board of Finance funds managed by CCLA Investment Management Ltd.

Charitable company	Investment in subsidiaries £000	Unlisted securities £000	Total £000
Market value			
At 1 January 2016	127	5,043	5,170
Disposals	-	(20)	(20)
Revaluations	-	356	356
At 31 December 2016	<u>127</u>	<u>5,379</u>	<u>5,506</u>
Impairment			
At 1 January 2016	33	-	33
Charge for the year	59	-	59
At 31 December 2016	<u>92</u>	<u>-</u>	<u>92</u>
Net book value			
At 31 December 2016	<u>35</u>	<u>5,379</u>	<u>5,414</u>
At 31 December 2015	<u>94</u>	<u>5,043</u>	<u>5,137</u>
Historical cost	<u>127</u>	<u>4,260</u>	<u>4,387</u>

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

19. Fixed asset investments (continued)

Charitable company investments at market value comprise:

	2016	2015
	£000	£000
Unlisted investments	5,379	5,044
Investment in subsidiaries	36	95
Total	5,415	5,139

All the fixed asset investments are held in the UK.

20. Stocks

	Group	Charitable company
	2016	2015
	£000	£000
Work in progress	97	126
	-	-

21. Debtors

	Group	Charitable company
	2016	2015
	£000	£000
Trade debtors and parish share	189	211
Amounts owed by subsidiaries	-	-
Amounts owed by undertakings in which the company has a participating interest	14	18
Other debtors	764	713
Prepayments and accrued income	46	4
	147	166
	754	700
	44	2
Total	1,013	946
	1,141	1,048

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

21. Debtors (continued)

Parish Share (the group and the company)

The parish share element within trade debtors and parish share above consists of:	2016 £000	2015 £000
Total Parish Share due at 31 December	1,897	1,719
Provisions made in respect of:		
Current year	(336)	(389)
Previous years	(1,385)	(1,164)
Total	176	166

22. Creditors:
Amounts falling due within one year

	Group		Charitable company	
	2016 £000	2015 £000	2016 £000	2015 £000
Other loans	457	608	457	608
Trade creditors	308	135	320	155
Other taxation and social security	16	17	9	5
Other creditors (including pension liability)	2,244	1,933	2,249	1,940
Accruals and deferred income	223	54	216	45
	3,248	2,747	3,251	2,753

Other loans includes Value Linked Loans for the purchase of special needs housing (purchased on behalf of the Church Commissioners) and those for the purchase of Ministers' houses which are only repayable in the event of the sale of any of the properties. Interest is charged on the loans at a variable rate. These loans totalled £420k at 31 December 2016 (2015: £571k). Also included is the Appleton Trust Equity Sharing Loan for the purchase of housing for deserted clergy spouses which is interest free and repayable in full together with any surplus arising in the event of sale of the property. The Equity Sharing Loan of £37k at 31 December 2016 (2015: £37k) represents 18.97% of the sale proceeds of Regents Street, Whitstable. Other creditors at 31 December 2016 includes £497k (2015: £497k) in respect of the Church of England funded pension scheme and the Church workers pension fund as fully described in note 28. Included within trade creditors of the charitable company is £13k owed to subsidiaries (2015: £20k).

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

23. Creditors:
Amounts falling due after more than one year

	Group		Charitable company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Bank loans	422	-	422	-
Other loans	1,053	1,253	1,053	1,253
Pension scheme liabilities	2,971	3,636	2,971	3,636
	4,446	4,889	4,446	4,889

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Charitable company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Repayable other than by instalments	4,024	4,889	4,024	4,889

The other loans consist of 4 (2015: 5) interest only mortgages which are secured on freehold properties. All of the loans are repayable within 20 years. Interest on 3 (2015: 4) loans is charged at 1.50% above base rate and interest on 1 (2015: 1) loan is charged at 0.55% over the CBF Church of England Deposit rate.

24. Statement of funds

	Brought Forward	Income	Expenditure	Transfers	Gains/	Carry
	£000	£000	£000	in/(out)	(Losses)	Forward
	£000	£000	£000	£000	£000	£000
Designated funds						
Ministry Housing Spirituality Fund	9,875	-	-	-	-	9,875
Witney Fund	219	6	-	-	13	238
Holiday Fund	773	25	-	-	56	854
Mission Initiative Fund	23	-	-	-	2	25
Taylor Bequest Davington	134	3	-	-	(2)	135
Gatehouse Training Fund	23	-	-	-	-	23
	85	1	-	-	-	86
	53	6	-	-	-	59
	11,185	41	-	-	69	11,295

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

24. Statement of funds (continued)

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Carry Forward £000
General funds						
General	363	9,885	(9,812)	(113)	38	361
Total Unrestricted funds	11,548	9,926	(9,812)	(113)	107	11,656
Endowment funds						
Ministry Trust Fund	1,507	-	-	-	128	1,635
Clergy Training Fund	413	-	-	-	35	448
Tait Mission Fund	147	-	-	-	15	162
Benefice properties	57,538	-	-	113	(54)	57,597
Education Fund	1,282	-	-	-	(1)	1,281
Stipends Capital Fund	1,942	115	(16)	-	22	2,063
	62,829	115	(16)	113	145	63,186
Restricted funds						
Clergy and Spouses Retirement Fund	562	15	(42)	-	50	585
Diocesan Pastoral Account Fund	907	90	(65)	-	-	932
	1,469	105	(107)	-	50	1,517
Total of funds	75,846	10,146	(9,935)	-	302	76,359

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

24. Statement of funds (continued)

Summary of funds

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Carry Forward £000
Designated funds	11,185	41	-	-	69	11,295
General funds	363	9,885	(9,812)	(113)	38	361
	11,548	9,926	(9,812)	(113)	107	11,656
Endowment funds	62,829	115	(16)	113	145	63,186
Restricted funds	1,469	105	(107)	-	50	1,517
	75,846	10,146	(9,935)	-	302	76,359

Designated Funds

- i) Ministry Housing - This fund consists of Ministry Housing properties and associated movements.
- ii) Spirituality Fund - The fund represents the sale proceeds of St Gabriel's Retreat House for financing a part time Diocesan Spirituality Adviser and making grants to assist Parishes and individuals to take retreats.
- iii) Witney Fund - This fund consists of a legacy from the Estate of the Late Dr Raymond Witney. The Board resolved that the capital of the fund should be retained intact and the income be used to assist in the promotion of the Christian faith in the Diocese.
- iv) Holiday Fund - The purpose of this fund is to assist clergy and layworkers to take holidays.
- v) Mission Initiatives Fund - The purpose of this fund is for developing mission within parishes and consists of the following funds:
 - Eunice fund - for mission initiatives in rural areas.
 - Luman fund - for general discretionary purposes.
 - Mission Initiatives fund - formed in 2004 from £500k arising from the sale proceeds of redundant parsonages.
 - Mission & Ministry fund - grant funding from the Church Commissioners for developing mission in parishes.
- vi) Taylor Bequest - For grants and payments to retiring clergy.
- vii) Davington Gatehouse - this fund is held in trust for the development of facilities at Davington Church.
- viii) Training Fund - The purpose of this fund is to provide grants to clergy to supplement their training needs as appropriate. This fund receives unused CME contributions from the Board and the income arising from the Cobbe Holiday Trust Fund (with the approval of the Charity Commission).

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

24. Statement of funds (continued)

General Funds

General funds consist of the accumulated surpluses, less deficits, on unrestricted funds, excluding designated fund movements.

Endowment Funds

Permanent Endowment Funds

The endowment funds, whereby the capital may not be expended and the income may be applied as specified are as follows:

- i) Ministry Trust Fund - Income to be applied for stipends. The fund comprises the Standen Bequest, the Spooner Bequest, the A T Wiggins Bequest, the Parsonage Repair Fund, and the Dame Stancombe-Wills Fund.
- ii) Clergy Training Fund - Income to be applied for clergy training. The fund comprises the Candidates for the Ministry Fund, the Holt Fund and the Knight Trust Fund.
- iii) Tait Mission Fund - income to be applied for the expenses of the Tait Missioner.

Expendable Endowment Funds

- i) Benefice Properties - the fund consists of resources restricted to provision of benefice houses which are vested for the time being in the incumbents of the benefices concerned. The CDBF is obliged to maintain them and to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese. Sale proceeds of benefice houses surplus to requirements into the diocesan pastoral fund.
- ii) Education Fund - the proceeds of sale of redundant properties are held on a separate endowment fund under S554 of the Education Act. The capital of funds awaiting Orders from the Secretary of State are not available for use until such time as they are included in a charitable order or scheme which may require funds to be disposed of to other parties in part or in full. Other proceeds of sale of redundant properties are held until the completion of replacement schools. In these cases the proceeds of sale may be used to offset expenses relating to the new school projects.
- iii) Stipends Capital Fund - the fund is governed by Section 35 of the Endowments and Glebe Measure 1976. Income is derived primarily from the return on investments, the sale of glebe, gains on sale of investments, the transfer of parsonage proceeds and occasional gifts and bequests. The main purpose of the fund is to produce income for stipends, but at the request of the Bishop, and with the concurrence of the Board, can be applied to:
 - acquiring new glebe land;
 - developing, improving and protecting amenities of glebe;
 - discharging loans on glebe;
 - the improvement of parsonage housesIncome of the fund is automatically applied to stipends.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

24. Statement of funds (continued)

Restricted Funds

i) Clergy and Spouses Retirement Fund - the following restricted funds specify that both capital and income must be applied for retired clergy and spouses:

- C S Thomas
- Mrs A W Mannell Bequest
- R & M Pratt
- Dorothy Mowll Will Trust

ii) Diocesan Pastoral Account Fund - The purposes for which this fund may be used are laid down in Section 94 of the Pastoral Measure 2011 and comprise:

- grants and loans for parsonage and church provision, restoration, improvement or repair;
- costs of disposing of or maintaining houses and churches vested in the Board or Commissioners by the Measure;
- transfers to Stipends Capital Fund of capital or income;
- other purposes of the Diocese or any benefice or parish.

The DPA fund receives the sale proceeds of churches and parsonages, which have become redundant under pastoral reorganisation when it is specified that they should be paid into this fund. The DPA Fund includes £400k set aside by the Pastoral Committee for mission and development in parishes.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

25. Analysis of net assets between funds

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Endowment funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	12,824	-	58,950	71,774	73,183
Fixed asset investments	1,489	597	3,293	5,379	5,044
Investment property	10	-	-	10	10
Current assets	1,827	920	4,143	6,890	5,244
Creditors due within one year	(2,835)	-	(413)	(3,248)	(2,746)
Creditors due in more than one year	(1,659)	-	(2,787)	(4,446)	(4,889)
	<u>11,656</u>	<u>1,517</u>	<u>63,186</u>	<u>76,359</u>	<u>75,846</u>

26. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £000	2015 £000
Net income for the year (as per Statement of financial activities)	567	232
Adjustment for:		
Depreciation charges	31	32
Losses/(gains) on investments	(356)	(150)
Dividends, interest and rents from investments	(378)	(467)
(Gain) on disposal of fixed assets	(84)	(215)
Decrease in stocks	29	5
(Increase)/decrease in debtors	(66)	363
Decrease in creditors	(165)	(746)
Net cash used in operating activities	<u>(422)</u>	<u>(946)</u>

27. Analysis of cash and cash equivalents

	2016 £000	2015 £000
Cash in hand	2,309	1,996
	<u>2,309</u>	<u>1,996</u>

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

28. Pension commitments

Clergy

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

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

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

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2015. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

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

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable (as a percentage of pensionable stipends) are as set out in the table below. Contributions since 2015 are shown for reference.

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

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

28. Pension commitments (continued)

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

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

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

	2016	2015
	£000	£000
Balance sheet liability at 1 January	3,794	4,136
Deficit contribution paid	(410)	(413)
Interest cost (recognised in SoFA)	90	90
Remaining change to the balance sheet liability* (recognised in SoFA)	(274)	(19)
Balance sheet liability at 31 December	3,200	3,794

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

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

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

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

Staff

Canterbury DBF (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

28. Pension commitments (continued)

The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

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

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year contributions are payable towards benefits and expenses accrued in that year (2016: £110,000, 2015: £102,000), plus any impact of deficit contributions (see below).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the 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 having been carried out as at 31 December 2013. In this valuation, the Life Risk Section was shown to be in deficit by £4.9m and £4.3m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £12.9m.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 27% of pensionable salary and expenses of £5,700 per year. In addition deficit payments of £84,100 per year have been agreed for 5.00 years from 1 April 2015 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

28. Pension commitments (continued)

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

	2016 £000	2015 £000
Balance sheet liability at 1 January	339	567
Deficit contribution paid	(84)	(84)
Interest cost (recognised in SoFA)	6	9
Remaining change to the balance sheet liability*(recognised in SoFA)	7	(153)
Balance sheet liability at 31 December	268	339

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

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

	December 2016	December 2015	December 2014
Discount rate	0.90%	2.00%	1.80%

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

The next valuation of the scheme is being carried out as at December 2016.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

29. Operating lease commitments

At 31 December 2016 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2016 £000	2015 £000
Amounts payable:		
Within 1 year	9	8
Between 2 and 5 years	16	19
After more than 5 years	1	-
Total	26	27

At 31 December 2016 the charitable company had annual commitments under non-cancellable operating leases as follows:

Charitable company

Amounts payable:

Within 1 year	9	8
Between 1 and 5 years	16	19
After more than 5 years	1	-
Total	26	27

30. Principal subsidiaries and joint ventures

a. Principal subsidiaries

Details of the principal subsidiaries are provided on the following page.

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

30. Principal subsidiaries and joint ventures (continued)

Company name	Registration number	Country	Percentage Shareholding	Principal Activity
Diocesan Architectural Services Ltd	2790278	England & Wales	100%	Architectural services
Canterbury Diocesan Enterprises Ltd	6673588	England & Wales	100%	Development advice to groups and parishes
Ethos School Improvement Ltd	7945168	England & Wales	100%	Provision of services to schools

Financial information for each of the subsidiaries is as follows:

Diocesan Architectural Services Ltd	2016	2015
	£000	£000
Income	272	450
Expenditure	(331)	(483)
(Loss)	(59)	(33)
Assets	59	119
Liabilities	(23)	(24)
Funds	36	95
Canterbury Diocesan Enterprises Ltd	2016	2015
	£000	£000
Income	8	24
Expenditure	(25)	(20)
(Loss)/profit	(17)	4
Assets	106	144
Liabilities	(123)	(144)
Funds	(17)	-

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

30. Principal subsidiaries and joint ventures (continued)

Ethos School Improvement Ltd	2016	2015
	£000	£000
Income	-	-
Expenditure	(6)	(1)
(Loss)	(6)	(1)
Assets		7
7		
Liabilities	(14)	(8)
Funds		(7)
(1)		

b. Principal joint ventures

Company name	Registration number	Country	Percentage Shareholding	Principal Activity
Together Canterbury	8763875	England & Wales	50%	Christian Charity missionary work

Canterbury Diocesan Board of Finance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2016

31. Custodian Trustee

CDBF acts as Custodian Trustee in respect of various funds. These assets are held separately from those of the CDBF and are not included in the Balance Sheets on pages 15 and 16. The summary of the funds as at 31 December is as follows:

	2016	2015
	£000	£000
TRUST FUNDS	3,783	3,576
Represented by:		
FIXED ASSETS		
Freehold Property	250	250
Listed Investments (at cost)	103	103
Unlisted Investments (at cost)	1,726	1,727
	2,079	2,080
CURRENT ASSETS		
Central Board of Finance Deposit Fund	1,695	1,489
Cash at bank	9	7
Total	3,783	3,576
Market value of investments at 31 December		
Listed investments	192	160
Unlisted investments	4,036	3,676
Total	4,228	3,836