

**Wakefield Diocesan Board of Finance**

Financial statements

For the period ended 30 April 2014



**Company no 245111**  
**Charity no 249315**

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## Legal and administrative details

**Company registration number:** 245111

**Charity registration number:** 249315

**Registered office:**  
Church House  
1 South Parade  
WAKEFIELD  
WF1 1LP

**Directors and trustees:**

**Suffragan Bishop:** The Rt Revd A W Robinson

**Archdeacons:** The Ven Dr A Dawtry (Archdeacon of Halifax)  
The Ven P K Townley (Archdeacon of Pontefract)

**Diocesan Secretary:** Mr A W Ellis

**Elected:**  
Revd M Macdonald (Chair)  
Mrs J Jackson  
Revd J Hadjioannou  
Revd D Robertson  
Mr D O Cowling  
Mr J Haigh  
Mr B Greenwood  
Mr A Stears  
Mr D Verlander  
Mrs L Sowray  
Miss P Jessop  
Mrs M Gummerson  
Mr C Scholes (resigned 25 April 2013)

**Co-opted:**  
Mr J A Hanson (Vice-Chairman)  
Revd D Nicholson

## Legal and administrative details

**Bankers:**

Yorkshire Bank plc  
6 – 10 Northgate  
WAKEFIELD  
WF1 1TA

**Solicitors:**

Dixon Coles & Gill  
Bank House  
Burton Street  
WAKEFIELD  
WF1 2DA

**Investment managers:**

CCLA Investment Management Ltd  
Senator House  
85 Queen Victoria Street  
LONDON  
EC4V 4ET

Stephenson Wroe  
25 Ledgate Lane  
Burton Salmon  
LEEDS  
LS25 5JY

**Auditor:**

Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
No 1 Whitehall Riverside  
LEEDS  
LS1 4BN

## Report of the Trustees (incorporating the Strategic Review)

### **The West Yorkshire and the Dales Scheme**

The accounts show a nil balance sheet for the Wakefield Diocesan Board of Finance after the transfer of all the assets to the Leeds Diocesan Board of Finance. The transfer was made under the authority of the Church Commissioners West Yorkshire and the Dales Re-organisation Scheme. The Scheme came into effect with the following aims:

- Dissolved the existing dioceses of Bradford, Ripon and Leeds, and Wakefield.
- Created a new diocese of Leeds (which can also be known as the diocese of West Yorkshire and the Dales).
- Created five archdeaconries (with a separate working assumption that 5 episcopal areas would match them).
- Sets out the legal framework for the new diocese.

The main purposes behind the Commission's scheme are to:

- Create Church structures better able to meet the mission challenges of the 21<sup>st</sup> Century including:
  - a) The opportunity to re-imagine and re-envision the mission of the Church of England in a changed and changing context and enable it to speak with a single voice to and for the area.
  - b) Effective scoping of episcopal leadership and engagement across the whole social, political and cultural landscape.
  - c) The formation of an episcopal team focussed in a coherent area scheme.
  - d) The enhancement of the local mission of parishes and networks through stronger strategic support and resourcing, enriching and sharing good practice.
  - e) The retention of three cathedrals within one diocese, each with distinctive missional strategies, being essential to honouring both past history and future holistic mission.
- Enable the Church to speak with one voice to and for West Yorkshire and the Dales;
- Realign the boundaries of the new diocese more in line with socio-economic realities, civic institutions and the secular communities that the Church seeks to serve;
- Bring the three diocesan administrations together to enable a more resilient structure to be in place to support parishes;
- Combine the best of the intimacy of the local church with the advantages of scale. The 5 episcopal areas of Bradford, Huddersfield, Leeds, Ripon and Wakefield should enable more local participation in shaping mission. The larger size should give a sufficient critical mass of expertise in specialist fields such as ministry and education, and scope for more strategic episcopal oversight that would come from being part of a single diocese.

The trustees, who are also directors for the purposes of company law, present their combined Report of the Trustees and directors' report, together with the audited financial statements, for the period ended 30 April 2014.

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

1. Reference and administrative details of the Wakefield Diocesan Board of Finance (WDBF)
2. Summary information about the structure of the Church of England
3. Structure, governance and management
4. Objectives and activities
5. Public Benefit
6. Achievements and performance
7. Financial review
8. Plans for future periods
9. Appointment of auditors
10. Approval of the Trustees Annual Report

## **Report of the Trustees (incorporating the Strategic Review)**

### **Reference and administrative details of the Wakefield Diocesan Board of Finance**

These are set out on pages 1 to 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 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 senior bishops sit in the House of Lords.

The Church of England is episcopally-led (there are 108 bishops including Diocesan Bishops and Assistant and Suffragan Bishops). It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

### **The three National Church Institutions**

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

The Archbishops' Council was established in 1999 "to co-ordinate, promote, aid and further the mission of the Church of England". Its task is to give a 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, 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.

## **Report of the Trustees (incorporating the Strategic Review)**

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.

### **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 Cathedral Office, Wakefield Cathedral, Northgate, Wakefield, WF1 1HG.

The information about General Synod, the Church Commissioners, the Archbishops' Council and Wakefield 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 across the Diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan Bishops and Archdeacons. 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.

#### **Deanery Synod**

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

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

### **The Bishop's Council**

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 President 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.

## **Report of the Trustees (incorporating the Strategic Review)**

### **Parochial Church Council (PCC)**

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically each parish has one parish church. The PCC is made up of the incumbent as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a charity, and all are currently excepted from registration with the Charity Commission, subject to the Charities Act 2011 under which those above £100,000 gross income for the period are required to register with the Charity Commission from October 2008. 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.

### **Parishes**

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

A deanery is a group of parishes over which a rural dean has oversight and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

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

### **Structure, governance and management**

The Diocese of Wakefield was created in 1888 and took broadly its present form in 1926. It covers an area of 557 square miles.

The Diocese is arranged as two Archdeaconries, Halifax covering the western part with 6 deaneries and Pontefract the eastern part with 5 deaneries. In total there are 186 parishes.

### **Diocesan governance**

The Diocesan Synod is the statutory governing body, 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 six 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, Bishop's Council.

### **Company status**

The company, Wakefield Diocesan Board of Finance (WDBF), was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 15 January 1930 as a company limited by membership guarantees (No. 245111) and its governing documents are the Memorandum and Articles of Association. WDBF was registered with the Charity Commission (No. 249315) on 26 September 1966.

The directors of the WDBF under company law have a personal liability limited to £1 under their guarantee as company trustees in the event of it being wound up.

### **Decision-making structure**

Diocesan Synod has delegated the following functions to the Bishops Council:

- 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;
- Appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod;
- To carry out such functions as the Diocesan Synod may delegate to it.



## **Report of the Trustees (incorporating the Strategic Review)**

Diocesan Synod has delegated the following functions to the WDBF:

- 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.

The Diocesan Synod and the Board of Trustees have 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.

### **Committee structure**

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

The following are statutory committees:

**The Parsonage Board which is the Board of Finance** is responsible for determining policy and making major decisions concerning the management of glebe property 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 WDBF.

**Diocesan Mission & Pastoral Committee**, which is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry.

**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.

**Wakefield 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.

In addition to the statutory committees, there are also a number of committees which include:

**Safeguarding** advises and initiates training in relation to Child Protection and Vulnerable Adults matters for clergy and laity. In this respect it works closely with the Family Life and Marriage Education officers and Parish Education officers

**Church in Society** seeks to help in the exploration of faith relation to daily life. In so doing it believes communities should be served in the name of the Lord.

### **Bishop's Council**

Bishop's Council consists of nine ex officio members, including the Diocesan and Suffragan Bishops and the two Archdeacons, six clergy elected by the house of clergy from among their number and nine lay persons elected by the members of the house of laity.

### **Wakefield Diocesan Board of Finance**

The current membership of the Wakefield Diocesan Board of Finance is set out on page 1.

The membership consists of five ex officio members, including the Diocesan and Suffragan Bishops, the two Archdeacons and the Diocesan Secretary. In addition there are eleven elected lay representatives (one from each deanery), four clergy to be elected from membership of the Diocesan Synod (on an Archdeaconry basis, two per Archdeaconry) and six co-opted members appointed by members of the Board. With the exception of the ex officio members, all are elected or re-appointed triennially.

## **Report of the Trustees (incorporating the Strategic Review)**

The WDBF has the following sub-committees:

**Budget Sub-Committee**, which is responsible for drafting and drawing up draft budgets for approval by the trustees prior to submission to Diocesan Synod and monitors expenditure and income.

**Common Fund Sub-Committee**, which is responsible for reviewing and monitoring all aspects of the common fund.

**Risk Management Sub-Committee**, which is responsible for assisting the trustees in the discharge of their responsibilities in respect of risk management, internal control and financial reporting.

**Property Management Sub-Committee**, which is responsible for assisting the trustees in the discharge of their responsibilities concerning the management of glebe property parsonage houses in each benefice, including buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by WDBF.

### **Appointment of trustees**

Trustees are provided with induction training when first appointed and receive ongoing training, as appropriate. Some senior staff have job titles incorporating the title 'Director' but they are not directors of the company for the purposes of company law.

### **Statement of Trustees' Responsibilities**

The Trustees (who are also Directors of Wakefield Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company 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 judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Report of the Trustees (incorporating the Strategic Review)**

### **Disclosure to the auditors**

At the date of making this report each of the Charity's trustees as set out in page 1 confirm the following:

- So far as each trustee is aware there is no relevant information needed by the Charity's auditors in connection with preparing their report of which the Charity's auditors are unaware; and
- Each trustee has taken all the steps they ought to have taken as a trustee in order to make themselves aware of any relevant information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

### **Related parties**

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

WDBF 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 Diocesan and Suffragan Bishops are borne by the Church Commissioners.

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

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 WDBF and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

### **Connected charities**

The trustees consider the following to be connected charities:

Wakefield Diocesan Board of Education - a registered charity, which has responsibility for 102 Church schools across the Diocese, provides pastoral and professional support to all its schools and has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.

Other connected charities with which WDBF co-operates in pursuit of its charitable objectives are:

Wakefield Diocesan Church Organization Society is a registered charity, which administers trust funds on behalf of parishes within the Diocese of Wakefield.

Wakefield West Riding Charitable Society Trust is a registered charity, which applies money in supplementary relief or assistance to qualifying persons who are resident or have served within the Diocese of Wakefield which was formerly situated in the West Riding of Yorkshire.

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 Cathedral Office, Wakefield Cathedral, Northgate, Wakefield, WF1 1HG.

### **Pension Scheme**

WDBF is the sponsoring employer of the Wakefield Diocesan Board of Finance Staff Retirement Benefit Scheme. This is a pension fund for the benefit of employees of WDBF. Costs of administration and secretarial services are borne by WDBF.

Further details are contained in note 1 to the financial statements.

## **Report of the Trustees (incorporating the Strategic Review)**

### **Risk management**

The trustees confirm that the major risks, to which WDBF 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 Risk Management Sub-Committee the task of ensuring that risks are reviewed and managed as part of the risk management strategy. Sub-Committees have 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 WDBF should any of the risks materialise.

The Diocese is to be replaced by a larger Diocese consisting of the current Dioceses of Wakefield; Bradford; Ripon and Leeds; including the structure, legal, ministry, staff, and assets relating the disbanding of the Diocese. The impact of the change and risk management has been undertaken by the Transformation Programme of the Leeds Diocesan Board of Finance.

### **Objectives and activities**

#### **Aims and objectives**

WDBF 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 Wakefield and elsewhere.

WDBF's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to transfer to the Leeds Diocesan Board of Finance the responsibility for 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 by means of a grant to the Wakefield Diocesan Board of Education.

#### **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 3 to the financial statements). Grants are paid to other connected charities and to other charitable projects which appear to the Board to support the furtherance of WDBF's objectives.

### **Public Benefit**

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 Board believes that, by promoting the work of the Church of England in the diocese of Wakefield, 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.

## Report of the Trustees (incorporating the Strategic Review)

### **Achievements and performance**

#### **Plans and achievements in 2013 to April 2014**

The WDBF planned to:

- Set a breakeven budget for the 12 months ending 2013 and a deficit budget of £624,000 for the first 4 months of 2014;
- Apply a 1.9% average increase in common fund across the Diocese for 2013 and a 0% increase for the first 4 months of 2014;
- Celebrate the 125 year anniversary of the Wakefield Diocese, mark the end of the Diocese and herald the new Diocese of West Yorkshire and the Dales;
- Implement controls and procedures to ensure the effective transfer of the Wakefield Diocese to the Leeds Diocesan Board of Finance at the end of April 2014.

During the period WDBF has:

- Generated a net overspend of £901,000 against the deficit budget. Excluding the investment evaluation the overall deficit including restricted funds for total incoming resources was £731,000;
- The market value adjustment on investment assets was a gain of £498,000 equivalent to 9% increase the five yearly glebe asset revaluation added a an additional gain of £974,000 equivalent to a 11% increase;
- The 125<sup>th</sup> anniversary coincided with the dissolving of the Diocese. The anniversary was marked by celebration events across the Diocese culminating in Holy Week and Easter services.
- The Diocesan Commission proposal was approved by the General Synod meeting in July 2014. The DBF confirmed the transfer of the assets to the Leeds Diocesan Board of Finance as required under the Scheme approved by the General Synod.

#### **Operational performance**

WDBF received 79% of Common Fund due for the 16 month period. In percentage terms and actual cash receipts this continued the decline in Common Fund receipts experienced over the last three years. The 16 month period exacerbated the figures as it includes two January to April periods which are historically the poorest collection periods. During 2013 the Board offered the parishes with Common Fund arrears a deal to cancel historical arrears provided they paid the full 2013 Common Fund Assessment. This offer was taken up by 53 parishes resulting in a cancellation of £2 million of arrears. Additional income from other sources and expenditure savings helped the WDBF to meet all of its financial obligations and to continue to resource Diocesan needs as these arise, including the support of the ministry, provision of well-maintained houses for the clergy, national church responsibilities and enriching and facilitating many other aspects of church life throughout Wakefield such as retreats and cultural and spiritual gatherings.

#### **Investment performance**

##### **Overall performance**

Investments are held in both glebe (land and property) and general funds. The total value of investments (excluding short-term cash deposits) at 30 April 2014 was £8.8m and the total return on investment was an increase of 23%, 11% of the increase was due to the quinquennial review of glebe investments. The average market value of the investments increased during the period by 16%.

##### **General fund investments**

The Board's investments are with the CCLA Investment Management Ltd in Investment Funds and Property Funds. The Investment Fund showed an unrealised gain of £450,000 whilst the Property Funds had an unrealised gain of £48,000. The income from investments performed better than expected and was £90,000 better than the budget of £200,000. The Investment Fund longer term return for the 12 months to end March 2014 was a positive 7.2% which was 1% less than the comparator (Composite: from 01.01.12 UK Equities 45%, Overseas Equities 30% (50% Hedged), Property 5%, Bonds 15% & Cash/Other 5% & to 31.12.11 UK Equities 60%, Overseas Equities 20%, Property 10%, Bonds 10%). The Property Fund longer term return increased by 10.9% compared to the benchmark which increased by 12.2% (IPD Balanced Property Unit Trust Index).

## **Report of the Trustees (incorporating the Strategic Review)**

### **External factors affecting performance**

The Common Fund, which is contributed by PCCs towards the ministry and other costs of the Diocese is a voluntary contribution and is budgeted to provide 67% of the Diocesan income. A large part of the costs are clergy costs and building maintenance costs, which both tend to increase at a rate in excess of the Retail Price Index.

The historical financial resources of the Diocese of Wakefield is relatively weak, compared with many other dioceses and is expected to receive a proportionately larger share of National Church support.

### **Financial review**

#### **Overall financial position**

The figures for the period ending April 2014 are a 16 month period, the 2012 figures relate to a 12 month period.

Total income (unrestricted and restricted) before revaluation adjustments totalled £10.437m (2012: £8.305m) and total expenditure (unrestricted and restricted) amounted to £11.168m (2012: £7.915m).

The Statement of Financial Activities (SOFA) for the period shows net outgoing resources of £731,000 (2012: £390,000 net incoming resources) before net gains and losses on the revaluation of investments and fixed assets and on the sale of investment assets.

The Gross transfers between unrestricted funds (increase £482,000); restricted funds (increase £357,000) and endowment funds (decrease £839,000) show the reclassification of the Board's housing between the funds. The reclassification was required due to pastoral reorganisations.

The net gain from revaluation of assets was an increase of £4,628,000. The Board's has a policy of revaluing property every five years. The quinquennial revaluation of houses and glebe increased the valuations by £3,156,000 and £974,000 respectively, other investment assets increased in value by £498,000.

The two houses in the Penistone and Thurlstone Team were transferred at no cost to the Sheffield Diocese as required by the West Yorkshire and the Dales Re-organisation Scheme. The transfer was a £556,000 loss to the Wakefield Diocese.

After revaluation adjustments, the net movement in funds amounted to an incoming resource of £3.341m (2012: £576,000).

Prior to the transfer of the balance sheet to the Leeds Diocesan Board of Finance, the total fund balances increased from £55.624m to £58.965m.

#### **Review of the statement of financial activities**

The unrestricted income was £840,000 less than budget, the shortfall in Common Fund receipts being the reason for the poor performance. The Common Fund income was just over £1.5 million less than budget; this is partly attributable to the 16 month period which includes two January to April periods which are historically periods that fall well short of the budget. The total Common Fund receipts for the period including arrears were 79% which is £25,000 less than 2012.

Other income increased by exceeded the budget by £700,000. Most income sources were better than budget in particular investment income and grants received. The significant increase (£475,000) was from the General Synod policy change requiring the previous clergy fees for weddings and funerals to belong to the DBF.

Savings in expenditure reduced the impact of the under collection of the common fund. The costs of ministry in parishes which are principally stipend, pension and property costs underspent £522,000 compared to the budget. The majority of the savings were achieved from the vacancy in clergy posts and their associated costs.

The remainder of the budget also contributed savings of £41,000 resulting in a total underspend of £563,000 against the budget.

Excluding the transfers and unrealized gains the unrestricted funds decreased by £1.006m and the restricted funds provided decreased by £278,000.

## **Report of the Trustees (incorporating the Strategic Review)**

### **Principal funding sources**

Around 56% of the income of the DBF came from the Common fund and 20% from National Church Selective Allocations.

### **Review of the financial position**

Prior to the transfer of the balance sheet to the West Yorkshire and the Dales Diocese the balance sheet increased by £3.341m from a combination of net outgoing of £731,000, a loss on the transfer of assets under the scheme £556,000 and the net revaluation gain of £4.628m in the property and investments. Net cash flow has been positive.

### **Financial sustainability**

The Board holds no assets following the transfer to the Leeds Diocesan Board of Finance as required by the scheme.

### **Going concern**

The financial statements have been prepared on the basis of a zero balance sheet following the transfer to the Leeds Diocesan Board of Finance as required by the scheme.

### **Investment policies**

The Board has a policy to invest in accordance with the ethical investment policy of the Church of England Ethical Investment Advisory Group - this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

### **Glebe investments**

£2.6 million of the WDBF's investments were in glebe funds, primarily to generate a sustainable income to continue funding clergy stipends. Glebe investments are held in agricultural land, let on agricultural and business tenancies. Rents receivable amounted to £71,000, an income yield of 2.8%.

### **Unrestricted fund investments**

Funds which may be needed for working capital in the short term are held as deposits with the Central Board of Finance.

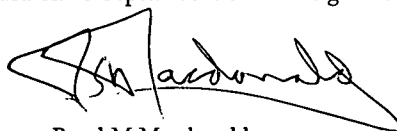
### **Appointment of auditors**

A resolution to re-appoint Grant Thornton UK LLP as auditors of the company will be proposed at the forthcoming AGM.

The report of the trustees was approved by the Board on 15 September 2014 and signed on its behalf by:



A W Ellis  
Diocesan Secretary



Revd M Macdonald  
Chair



## Independent auditor's report to the Trustees of Wakefield Diocesan Board of Finance

We have audited the financial statements of Wakefield Diocesan Board of Finance for the period ended 30 April 2014 which comprise the principal accounting policies, the statement of financial activities, the summary income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charitable Company's Members and Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charitable Company's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its Trustees 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 Statement of Trustees' Responsibilities set out on page 8, 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 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 30 April 2014, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 and the Charities Act 2011.

### **Opinion on other matter prescribed by the Companies Act 2006**

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





## Independent auditor's report to the Trustees of Wakefield Diocesan Board of Finance

### **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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent Charitable Company has 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 parent 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.

*Grant Thornton UK LLP*

Peter Edwards FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
LEEDS  
16 September 2014

Grant Thornton UK LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

## 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. 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 Companies Act 2006.

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.

**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 and Parsonage Houses), 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.

The Diocesan Stipends Fund Measure 1953 and the Pastoral Measure 1983 (including the various amendments to these measures); govern the purposes for which the restricted funds may be used, including the permissible transfer of monies to unrestricted funds.

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 the trustees' annual report.

### **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 period end are included in creditors to be carried forward to the following year.

In respect of parochial contributions, only contributions received during the period 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. However, the income is fully expended within the period of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the SOFA for the sake of greater clarity and simplicity in financial reporting.

## Principal accounting policies

### Resources expended

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

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 Diocesan Church House. The apportionment in 2011 can be summarised as follows:

- 5% - Cost of generating voluntary income
- 75% - Resourcing ministry and mission
- 15% - Education
- 5% - Governance

### Clergy Pensions

The Board participates in the Church of England Funded Pensions Scheme and employs 132 members of the Scheme out of a total membership of approximately 8,500 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the Board 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 31 December 2012. This revealed a shortfall of £293m, with assets of £896m and a funding target of £1,189m, assessed using the following assumptions:

- An investment strategy of:
  - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from 10% at 31 December 2012 to 2/3 by 31 December 2029, with the balance in return-seeking assets; and
  - for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets.
- Investment returns of 3.2% pa on gilts and 5.2% pa on equities;
- RPI inflation of 3.2% pa (and pension increases consistent with this);
- Increase in pensionable stipends 3.2% pa; and
- Post-retirement mortality in accordance with 80% of the S1NMA and S1NFA tables, with allowance made for improvements in mortality rates from 2003 in line with the CMI 2012 core projections, with a long term annual rate of improvement of 1.5% for males and females.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires the Board to account for pension costs on the basis of contributions actually payable to the Scheme in the period.

Following the results of the 2012 valuation, the [Employer's] contribution rate is due to increase from 38.2% to 39.9% of pensionable stipends from 1 January 2015 (of which 14.1% will be in respect of the £293m shortfall in the Scheme and 25.8% is in respect of accrual of future benefits and the day-to-day expenses of running the Scheme).

Contributions rates will be reviewed at the next valuation of the Scheme, due as at 31 December 2015.

### Employee Pensions

The Board participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund. During the period to 30 April 2014, the Board made contributions of £304,000 and this has been taken as the pension cost shown in these accounts, as explained below.

The Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS.

## Principal accounting policies

A valuation of the Fund was carried out as at 31 December 2010 and the Wakefield Board of Finance contribution rate was revised from 24.9% to 29.2% with effect from 1st April 2012. The deficit on the scheme was charged into the 2011 accounts and is being funded by an annual payment of £106,156 over the next five years, 2012 being the first year. The next valuation of the Fund is due at December 2013 and will be performed over 2014.

At 31 December 2013 the Wakefield Diocesan Board of Finance had 32 active members and 24 deferred pensioner members in the fund.

### **Investments**

Investments include agricultural holdings, commercial properties, and investment securities. They are valued at each period end. Realisation of gains/losses has been recognised in the Statement of Financial Activities on donation of assets to the Leeds Diocesan Board of Finance.

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

All these properties are included at the Board's best estimate of market value. It is the Board's policy to carry out a formal valuation of these revalued properties every 5 years. The last formal valuation was carried out as at 30 October 2013.

### **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.

### **Depreciation on other tangible fixed assets**

Depreciation is provided in order to write off the cost of other fixed assets within the year of purchase.

### **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 gains and losses on non-investment properties are included within net incoming resources for the period. 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.

## Principal accounting policies

### **Governance Costs**

Costs allocated to governance include expenditure incurred in the DBF meetings, Bishop's Council and Synod meetings as these are involved in the strategic planning processes that contribute to the future development of the company.

### **Management of liquid resources**

Movements in short-term deposits not repayable on demand are reported under the heading of liquid resources.

## Statement of financial activities

|  |   | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Endowment<br>funds<br>£'000 | Total<br>Funds<br>16 month<br>period<br>ended<br>30 April<br>2014<br>£'000 | Total<br>Funds<br>12 month<br>period<br>ended 31<br>December<br>2012<br>£'000 |
|--|---|--------------------------------|------------------------------|-----------------------------|--|---|
| <b>Incoming resources</b>  |   |                                |                              |                             |  |   |
| <b>Incoming resources from generated funds:</b>  |   |                                |                              |                             |  |   |
| Voluntary income   | 1 |                                |                              |                             |  |   |
| Parish contributions   |   | 5,844                          | -                            | -                           | 5,844  | 4,843   |
| Archbishops' Council   |   | 2,135                          | -                            | -                           | 2,135  | 1,562   |
| Other  |   | 518                            | -                            | -                           | 518  | 441   |
| Activities for generating funds  |   | 310                            | -                            | -                           | 310  | 255   |
| Investment income  |   | 417                            | 286                          | -                           | 703  | 688   |
| <b>Incoming resources from charitable activities</b>   |   |                                |                              |                             |  |   |
| Statutory fees, chaplaincy and other income  |   | 844                            | -                            | -                           | 844  | 419   |
| Other incoming resources   | 2 | 83                             | -                            | -                           | 83   | 97  |
| <b>Total incoming resources</b>  |   | <u>10,151</u>                  | <u>286</u>                   | <u>-</u>                    | <u>10,437</u>  | <u>8,305</u>  |
| <b>Resources expended</b>  |   |                                |                              |                             |  |   |
| <b>Cost of generating funds:</b>   |   |                                |                              |                             |  |   |
| Cost of generating voluntary income  |   | 7                              | -                            | -                           | 7  | 4   |
| Investment management costs  |   | 31                             | -                            | -                           | 31   | 23  |
| <b>Charitable activities</b>   | 3 |                                |                              |                             |  |   |
| Contributions to Archbishops' Council  |   | 555                            | -                            | -                           | 555  | 416   |
| Resourcing ministry and mission  |   | 10,330                         | -                            | 11                          | 10,341   | 7,306   |
| Education  |   | 185                            | -                            | -                           | 185  | 133   |
| <b>Governance costs</b>  | 4 | <u>49</u>                      | <u>-</u>                     | <u>-</u>                    | <u>49</u>  | <u>33</u>   |
| <b>Total resources expended</b>  | 5 | <u>11,157</u>                  | <u>-</u>                     | <u>11</u>                   | <u>11,168</u>  | <u>7,915</u>  |
| <b>Net (outgoing)/incoming resources before transfers</b>  |   | (1,006)                        | 286                          | (11)                        | (731)  | 390   |
| Gross transfers between funds  | 6 | 482                            | 357                          | (839)                       | -  | -   |
| <b>Net (outgoing)/incoming resources before other recognised gains and losses (including surplus of income over expenditure)</b> | 7 | <u>(524)</u>                   | <u>643</u>                   | <u>(850)</u>                | <u>(731)</u>   | <u>390</u>  |
| <b>Other recognised gains</b>  |   |                                |                              |                             |  |   |
| Gains on revaluation of fixed assets for charity's own use   |   | 1,381                          | -                            | 1,775                       | 3,156  | -   |
| Loss on assets transferred under Scheme  |   | -                              | -                            | (556)                       | (556)  | -   |
| Unrealised gains on investments  |   | 190                            | 120                          | 1,162                       | 1,472  | 186   |
| Assets donated to Leeds Diocesan Board of Finance  |   | (12,465)                       | (2,255)                      | (44,245)                    | (58,965)   | -   |
| <b>Net movement in funds</b>   | 8 | <u>(11,418)</u>                | <u>(1,492)</u>               | <u>(42,714)</u>             | <u>(55,624)</u>  | <u>576</u>  |
| <b>Reconciliation of funds:</b>  |   |                                |                              |                             |  |   |
| Total funds at 1 January   |   | <u>11,418</u>                  | <u>1,492</u>                 | <u>42,714</u>               | <u>55,624</u>  | <u>55,048</u>   |
| <b>Total funds at 30 April</b>   |   | <u>-</u>                       | <u>-</u>                     | <u>-</u>                    | <u>-</u>   | <u>55,624</u>   |

All activities relate to operations now transferred to Leeds Diocesan Board of Finance.  
The accompanying accounting policies and notes form part of these financial statements.

## Summary income and expenditure account

|  | <b>Total<br/>Funds<br/>16 month<br/>period<br/>ended<br/>30 April<br/>2014<br/>£'000</b> | <b>Total<br/>Funds<br/>12 month<br/>period<br/>ended 31<br/>December<br/>2012<br/>£'000</b> |
|--|--|---|
| Total incoming resources                                   | 10,437   | 8,305   |
| Gross expenditure  | (11,168)   | (7,915)   |
| <b>Net (loss)/surplus before investment fund disposals</b> | <b>(731)</b>   | <b>390</b>  |
| Realised (loss)/gain (excluding donation)                  | (556)  | -   |
| <b>Net (loss)/surplus for the period</b>                   | <b>(1,287)</b>   | <b>390</b>  |

## Statement of total recognised gains and losses

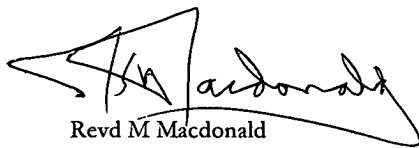
|  | <b>Total<br/>Funds<br/>16 month<br/>period<br/>ended<br/>30 April<br/>2014<br/>£'000</b> | <b>Total<br/>Funds<br/>12 month<br/>period<br/>ended 31<br/>December<br/>2012<br/>£'000</b> |
|--|--|---|
| Net (loss)/surplus for the period                  | (731)  | 390   |
| Realised losses                                    | (556)  | -   |
|  | <b>(1,287)</b>   | <b>390</b>  |
| Realisation of revaluation gains of previous years | 1,413  | -   |
| <b>Historical cost surplus for the period</b>      | <b>126</b>   | <b>390</b>  |

The accompanying accounting policies and notes form part of these financial statements.

## Balance sheet

|  | Note | 30 April<br>2014<br>£'000 | 31 December<br>2012<br>£'000 |
|--|------|---------------------------|------------------------------|
| <b>Fixed assets</b>  |      |                           |                              |
| Tangible assets  | 11   | -                         | 49,690                       |
| Investments  | 12   | -                         | 7,439                        |
|  |      | <u>-</u>                  | <u>57,129</u>                |
| <b>Current assets</b>  |      |                           |                              |
| Debtors  | 13   | -                         | 214                          |
| Investments  | 14   | -                         | 662                          |
| Cash at bank and in hand                                       |      | -                         | 892                          |
|  |      | <u>-</u>                  | <u>1,768</u>                 |
| <b>Creditors: amounts falling due within one year</b>          | 15   | -                         | (1,045)                      |
| <b>Net current assets</b>                                      |      | <u>-</u>                  | <u>723</u>                   |
| <b>Total assets less current liabilities</b>                   |      | -                         | 57,852                       |
| <b>Creditors: amounts falling due after more than one year</b> | 15   | -                         | (2,228)                      |
| <b>Net assets</b>  |      | <u>-</u>                  | <u>55,624</u>                |
| <b>The funds of the charity:</b>                               |      |                           |                              |
| Endowment funds  | 16   | -                         | 42,714                       |
| Restricted income funds  | 16   | -                         | 1,492                        |
| Unrestricted income funds:                                     |      |                           |                              |
| General funds  | 16   | -                         | 11,418                       |
| <b>Total funds</b>   |      | <u>-</u>                  | <u>55,624</u>                |

The financial statements were approved and authorised for issue by the Board of Trustees on 15 September 2014.



Revd M Macdonald  
Trustee

Company number: 245111

The accompanying accounting policies and notes form part of these financial statements.



## Cash flow statement

|  | 16 month<br>period<br>ended<br>30 April<br>2014<br>£'000 | 12 month<br>period<br>ended<br>31 December<br>2012<br>£'000 |
|--|--|---|
| Note   |  |   |
| Net (outgoing)/incoming resources                                | (55,624)   | 576   |
| Depreciation   | 21   | 5   |
| Net loss on disposal of tangible fixed assets                    | (614)  | (24)  |
| Net loss on transfer of tangible investment to Sheffield Diocese | (56)   | -   |
| Interest and dividends receivable                                | (409)  | (302)   |
| Interest payable   | 94   | 81  |
| (Increase)/decrease in debtors                                   | (71)   | (169)   |
| Decrease in creditors  | (190)  | (358)   |
| Movement on investments  | (4,072)  | (186)   |
| <b>Net cash outflow from operating activities</b>                | <b>(60,921)</b>  | <b>(377)</b>  |
| <b>Returns on investment and servicing of finance</b>            |  |   |
| Interest and dividends received                                  | 409  | 302   |
| Interest paid  | (94)   | (81)  |
|  | <b>315</b>   | <b>221</b>  |
| <b>Capital expenditure and financial investment</b>              |  |   |
| Expenditure on tangible fixed assets                             | (635)  | (320)   |
| Sale of tangible fixed assets                                    | 1,975  | 193   |
| Purchase of investments  | (108)  | (82)  |
| Sale of investments  | 259  | 3   |
| Loans repaid   | 132  | -   |
| Donation to Leeds Diocesan Board of Finance                      | 58,965   | -   |
|  | <b>60,588</b>  | <b>(206)</b>  |
| <b>Net cash outflow before financing</b>                         | <b>(18)</b>  | <b>(362)</b>  |
| <b>Management of liquid resources</b>                            |  |   |
| Increase in CBF deposits held as investments                     | 213  | 616   |
| <b>Financing</b>   |  |   |
| Loans repaid   | (130)  | (130)   |
| Cash donated to Leeds Diocesan Board of Finance                  | (957)  | -   |
| <b>(Decrease)/increase in cash</b>                               | <b>(892)</b>   | <b>124</b>  |
| 18   |  |   |

The accompanying accounting policies and notes form an integral part of these financial statements.

## 1 Incoming resources

|  | Unrestricted funds | Restricted funds | Endowment funds | Total Funds<br>16 month period ended<br>30 April 2014<br>£'000 | Total Funds<br>12 month period ended 31 December 2012<br>£'000 |
|--|--------------------|------------------|-----------------|--|--|
| <b>Parish contributions</b>                        | £'000              | £'000            | £'000           | £'000  | £'000  |
| Common fund  |                    |                  |                 |  |  |
| Current period's allocation                        | 7,384              | -                | -               | 7,384  | 5,858  |
| Shortfall in contributions                         | (1,700)            | -                | -               | (1,700)  | (1,261)  |
|  | <u>5,684</u>       | <u>-</u>         | <u>-</u>        | <u>5,684</u>   | <u>4,597</u>   |
| Arrears for previous years                         | 160                | -                | -               | 160  | 246  |
|  | <u>5,844</u>       | <u>-</u>         | <u>-</u>        | <u>5,844</u>   | <u>4,843</u>   |
|  |                    |                  |                 |  |  |
|  | Unrestricted funds | Restricted funds | Endowment funds | Total Funds<br>16 month period ended<br>30 April 2014<br>£'000 | Total Funds<br>12 month period ended 31 December 2012<br>£'000 |
| <b>Voluntary income from Archbishops Council</b>   | £'000              | £'000            | £'000           | £'000  | £'000  |
| Selective allocation                               | 1,935              | -                | -               | 1,935  | 1,408  |
| Parish Mission fund                                | 200                | -                | -               | 200  | 154  |
|  | <u>2,135</u>       | <u>-</u>         | <u>-</u>        | <u>2,135</u>   | <u>1,562</u>   |
|  |                    |                  |                 |  |  |
|  | Unrestricted funds | Restricted Funds | Endowment funds | Total Funds<br>16 month period ended<br>30 April 2014<br>£'000 | Total Funds<br>12 month period ended 31 December 2012<br>£'000 |
| <b>Other voluntary income</b>                      | £'000              | £'000            | £'000           | £'000  | £'000  |
| Ecclesiastical Insurance Group                     | 121                | -                | -               | 121  | 121  |
| Other grants and donations                         | 397                | -                | -               | 397  | 320  |
|  | <u>518</u>         | <u>-</u>         | <u>-</u>        | <u>518</u>   | <u>441</u>   |
|  |                    |                  |                 |  |  |
|  | Unrestricted funds | Restricted Funds | Endowment funds | Total Funds<br>16 month period ended<br>30 April 2014<br>£'000 | Total Funds<br>12 month period ended 31 December 2012<br>£'000 |
| <b>Income from activities for generating funds</b> | £'000              | £'000            | £'000           | £'000  | £'000  |
| Rental income from parsonages                      | 302                | -                | -               | 302  | 246  |
| Diocesan Magazine                                  | 8                  | -                | -               | 8  | 9  |
|  | <u>310</u>         | <u>-</u>         | <u>-</u>        | <u>310</u>   | <u>255</u>   |

## Notes to the financial statements

### 1 Incoming resources (continued)

|                          | Unrestricted<br>funds<br>£'000 | Restricted<br>Funds<br>£'000 | Endowment<br>Funds<br>£'000 | Total<br>Funds<br>16 month<br>period<br>ended<br>30 April<br>2014<br>£'000 | Total<br>Funds<br>12 month<br>period<br>ended 31<br>December<br>2012<br>£'000 |
|--------------------------|--------------------------------|------------------------------|-----------------------------|--|---|
| <b>Investment income</b> |                                |                              |                             |  |   |
| Dividends receivable     | 344                            | 51                           | -                           | 395  | 296   |
| Interest receivable      | 2                              | 1                            | -                           | 3  | 6   |
| Glebe minerals           | -                              | 234                          | -                           | 234  | 353   |
| Rents receivable         | 71                             | -                            | -                           | 71   | 33  |
|                          | <u>417</u>                     | <u>286</u>                   | <u>-</u>                    | <u>703</u>   | <u>688</u>  |

|  | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Endowment<br>funds<br>£'000 | Total<br>Funds<br>16 month<br>period<br>ended<br>30 April<br>2014<br>£'000 | Total<br>Funds<br>12 month<br>period<br>ended 31<br>December<br>2012<br>£'000 |
|--|--------------------------------|------------------------------|-----------------------------|--|---|
| <b>Incoming resources from charitable<br/>activities</b> |                                |                              |                             |  |   |
| Statutory fees and chaplaincy income                     | 841                            | -                            | -                           | 841  | 416   |
| Church Commissioners:<br>Guaranteed annuities            | 3                              | -                            | -                           | 3  | 3   |
|  | <u>844</u>                     | <u>-</u>                     | <u>-</u>                    | <u>844</u>   | <u>419</u>  |

### 2 Other incoming resources

|               | Unrestricted<br>funds<br>£'000 | Restricted<br>Funds<br>£'000 | Endowment<br>funds<br>£'000 | Total<br>Funds<br>16 month<br>period<br>ended<br>30 April<br>2014<br>£'000 | Total<br>Funds<br>12 month<br>period<br>ended 31<br>December<br>2012<br>£'000 |
|---------------|--------------------------------|------------------------------|-----------------------------|--|---|
| Loan interest | 1                              | -                            | -                           | 1  | -   |
| Other income  | 82                             | -                            | -                           | 82   | 97  |
|               | <u>83</u>                      | <u>-</u>                     | <u>-</u>                    | <u>83</u>  | <u>97</u>   |

## Notes to the financial statements

### 3 Charitable activities

|  | Unrestricted funds<br>£'000 | Restricted Funds<br>£'000 | Endowment funds<br>£'000 | Total Funds<br>16 month period ended<br>30 April 2014<br>£'000 | Total Funds<br>12 month period ended 31 December 2012<br>£'000 |
|--|-----------------------------|---------------------------|--------------------------|--|--|
| <b>Contributions to Archbishops' Council</b> |                             |                           |                          |  |  |
| Training for ministry                        | 226                         | -                         | -                        | 226  | 167  |
| National Church responsibilities             | 180                         | -                         | -                        | 180  | 131  |
| Grants and provisions                        | 25                          | -                         | -                        | 25   | 25   |
| Mission Agency pension contributions         | 10                          | -                         | -                        | 10   | 9  |
| Retired clergy housing costs (CHARM)         | 70                          | -                         | -                        | 70   | 48   |
| Pooling of ordinand candidates' costs        | 31                          | -                         | -                        | 31   | 23   |
| General Synod expenses                       | 13                          | -                         | -                        | 13   | 13   |
|  | <u>555</u>                  | <u>-</u>                  | <u>-</u>                 | <u>555</u>   | <u>416</u>   |

|   | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | Endowment funds<br>£'000 | Total Funds<br>16 month period ended<br>30 April 2014<br>£'000 | Total Funds<br>12 month period ended 31 December 2012<br>£'000 |
|---|-----------------------------|---------------------------|--------------------------|--|--|
| <b>Expenditure on resourcing ministry and mission</b> |                             |                           |                          |  |  |
| Parish ministry:                                      |                             |                           |                          |  |  |
| Stipends and national insurance                       | 4,220                       | -                         | -                        | 4,220  | 3,228  |
| Pension contributions                                 | 1,362                       | -                         | -                        | 1,362  | 1,018  |
| Housing costs   | 1,872                       | -                         | 11                       | 1,883  | 1,441  |
| Removal, resettlement and other grants                | 519                         | -                         | -                        | 519  | 48   |
| Loss on disposal of fixed assets                      | 114                         | -                         | -                        | 114  | 24   |
| Other expenses  | 60                          | -                         | -                        | 60   | 99   |
|   | <u>8,147</u>                | <u>-</u>                  | <u>11</u>                | <u>8,158</u>   | <u>5,858</u>   |
| Support for ministry                                  | 2,183                       | -                         | -                        | 2,183  | 1,448  |
|   | <u>10,330</u>               | <u>-</u>                  | <u>11</u>                | <u>10,341</u>  | <u>7,306</u>   |

Housing costs include interest payments of £93,897 on loans for the purchase of clergy houses.

|                                 | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | Endowment funds<br>£'000 | Total Funds<br>16 month period ended<br>30 April 2014<br>£'000 | Total Funds<br>12 month period ended 31 December 2012<br>£'000 |
|---------------------------------|-----------------------------|---------------------------|--------------------------|--|--|
| <b>Expenditure on education</b> |                             |                           |                          |  |  |
| Church Schools:                 |                             |                           |                          |  |  |
| Administration                  | 94                          | -                         | -                        | 94   | 68   |
| Grants                          | 91                          | -                         | -                        | 91   | 65   |
|                                 | <u>185</u>                  | <u>-</u>                  | <u>-</u>                 | <u>185</u>   | <u>133</u>   |

## Notes to the financial statements

### 4 Governance costs

|                               | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Endowment<br>funds<br>£'000 | Total<br>Funds<br>16 month<br>period<br>ended<br>30 April<br>2014<br>£'000 | Total<br>Funds<br>12 month<br>period<br>ended 31<br>December<br>2012<br>£'000 |
|-------------------------------|--------------------------------|------------------------------|-----------------------------|--|---|
| Audit fees                    | 13                             | -                            | -                           | 13   | 7   |
| Bishops Council expenses      | 5                              | -                            | -                           | 5  | 4   |
| Strategic management expenses | 31                             | -                            | -                           | 31   | 22  |
|                               | <u>49</u>                      | <u>-</u>                     | <u>-</u>                    | <u>49</u>  | <u>33</u>   |

### 5 Analysis of resources expended including allocation of support costs

|                                       | Activities<br>undertaken<br>directly<br>£'000 | Grant<br>funding of<br>activities<br>£'000 | Support<br>costs<br>£'000 | Total<br>Funds<br>16 month<br>period<br>ended<br>30 April<br>2014<br>£'000 | Total<br>Funds<br>12 month<br>period<br>ended 31<br>December<br>2012<br>£'000 |
|---------------------------------------|---|--|---------------------------|--|---|
| Cost of generating voluntary income   | 7   | -  | 31                        | 38   | 27  |
| Contributions to Archbishops' Council | -   | 555  | -                         | 555  | 416   |
| Resourcing ministry and mission       | 9,351   | 519  | 471                       | 10,341   | 7,306   |
| Education                             | -   | 91   | 94                        | 185  | 133   |
| Governance cost                       | 19  | -  | 31                        | 49   | 33  |
|                                       | <u>9,377</u>                                  | <u>1,165</u>                               | <u>627</u>                | <u>11,168</u>  | <u>7,915</u>  |

### 6 Analysis of transfer between funds

|                | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Endowment<br>funds<br>£'000 | Total<br>Funds<br>16 month<br>period<br>ended<br>30 April<br>2014<br>£'000 | Total<br>Funds<br>12 month<br>period<br>ended 31<br>December<br>2012<br>£'000 |
|----------------|--------------------------------|------------------------------|-----------------------------|--|---|
| Clergy housing | 700                            | 357                          | (1,057)                     | -  | -   |
| DBF housing    | (218)                          | -                            | 218                         | -  | -   |
|                | <u>482</u>                     | <u>357</u>                   | <u>(839)</u>                | <u>-</u>   | <u>-</u>  |

## Notes to the financial statements

### 7 Net incoming resources for the period

Net incoming resources is calculated after charging the following:

|                        | 30 April<br>2014<br>£'000 | 31 December<br>2012<br>£'000 |
|------------------------|---------------------------|------------------------------|
| Depreciation           | 21                        | 5                            |
| Auditor's remuneration | 13                        | 7                            |

Auditor's remuneration is the fees payable to the company's auditor for the audit of the financial statements.

### 8 Summary of fund movements

|  | 1 January<br>2013<br>£'000 | Incoming<br>resources<br>£'000 | Outgoing<br>resources<br>£'000 | Transfers<br>£'000 | Gains and<br>losses<br>£'000 | 30 April<br>2014<br>£'000 |
|--|----------------------------|--------------------------------|--------------------------------|--------------------|------------------------------|---------------------------|
| <b>Unrestricted funds</b>                            |                            |                                |                                |                    |                              |                           |
| General  | 5,434                      | 5,909                          | (6,700)                        | 700                | 190                          | 5,533                     |
| DBF Houses   | 5,848                      | -                              | -                              | (218)              | 1,381                        | 7,011                     |
| Stipends fund income                                 | 136                        | 4,242                          | (4,457)                        | -                  | -                            | (79)                      |
| Assets donated to Leeds<br>Diocesan Board of Finance | (11,418)                   | (10,151)                       | 11,157                         | (482)              | (1,571)                      | (12,465)                  |
|  | -                          | -                              | -                              | -                  | -                            | -                         |
| <b>Restricted funds</b>                              |                            |                                |                                |                    |                              |                           |
| Pastoral account                                     | 1,260                      | 286                            | -                              | 357                | 114                          | 2,017                     |
| Housing scheme                                       | 231                        | -                              | -                              | -                  | 6                            | 237                       |
| Wakefield Drama Committee                            | 1                          | -                              | -                              | -                  | -                            | 1                         |
| Assets donated to Leeds<br>Diocesan Board of Finance | (1,492)                    | (286)                          | -                              | (357)              | (120)                        | (2,255)                   |
|  | -                          | -                              | -                              | -                  | -                            | -                         |
| <b>Endowment funds</b>                               |                            |                                |                                |                    |                              |                           |
| <b>Expendable endowment</b>                          |                            |                                |                                |                    |                              |                           |
| Stipends fund capital                                | 2,921                      | -                              | -                              | -                  | 187                          | 3,108                     |
| Accumulated capital                                  | 109                        | -                              | -                              | -                  | -                            | 109                       |
| Accumulated income                                   | 4,712                      | -                              | -                              | 356                | -                            | 5,068                     |
| Parsonage houses                                     | 34,972                     | -                              | (9)                            | (1,196)            | 2,193                        | 35,960                    |
| Assets donated to Leeds<br>Diocesan Board of Finance | (42,714)                   | -                              | 9                              | 840                | (2,380)                      | (44,245)                  |
|  | -                          | -                              | -                              | -                  | -                            | -                         |
| <b>Total funds</b>                                   | -                          | -                              | -                              | -                  | -                            | -                         |

## Notes to the financial statements

### **9 Directors' remuneration and expenses**

No remuneration has been paid to any Director in their capacity as directors (2012: £nil).

During the period 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 totaling £22,482 (2012: £19,582).

The WDBF agreed the payment of a salary, national insurance, pension contribution and reimbursement of travel and incidental expenses to the Diocesan Secretary who is a member of the Board. The Diocesan Secretary was reimbursed for travel, subsistence and incidental costs incurred in undertaking his executive activities totaling £6,218 (2012: £6,034).

### **10 Employee details**

All staff are employees of the Board of Finance.

The average number of employees, based on full-time equivalents, were as follows:

|                             | <b>30 April<br/>2014<br/>No.</b> | <b>31 December<br/>2012<br/>No.</b> |
|-----------------------------|----------------------------------|-------------------------------------|
| Support for parish ministry | 25.4                             | 24.0                                |
| Statutory education         | 1.3                              | 2.3                                 |
|                             | <b>26.7</b>                      | <b>26.3</b>                         |

Staff costs were as follows:

|   | <b>30 April<br/>2014<br/>£'000</b> | <b>31 December<br/>2012<br/>£'000</b> |
|---|------------------------------------|---------------------------------------|
| Gross salaries                                      | 1,090                              | 747                                   |
| Social security costs                               | 76                                 | 60                                    |
| Pension contributions (defined contribution scheme) | 304                                | 197                                   |
|   | <b>1,470</b>                       | <b>1,004</b>                          |
| Funded by other related bodies                      | (125)                              | (91)                                  |
| Charged to these accounts                           | <b>1,345</b>                       | <b>913</b>                            |

The company recharges a proportion of its salaries to the Wakefield Board of Education.

There was one employee who received emoluments in the band £60,000 - £70,000 during the period (2012: one).

## Notes to the financial statements

### 11 Tangible assets

|  | Freehold<br>property<br>£'000 | Office<br>equipment<br>£'000 | Parsonages<br>£'000 | Glebe team<br>vicarages<br>£'000 | Total<br>£'000 |
|--|-------------------------------|------------------------------|---------------------|----------------------------------|----------------|
| <b>At cost or valuation</b>                          |                               |                              |                     |                                  |                |
| At 1 January 2013                                    | 11,016                        | 644                          | 32,202              | 6,472                            | 50,334         |
| Additions  | 228                           | 21                           | 386                 | -                                | 635            |
| Disposals  | (1,044)                       | -                            | -                   | (817)                            | (1,861)        |
| Revaluation  | 1,381                         | -                            | 1,435               | 340                              | 3,156          |
| Transfers  | 658                           | -                            | (658)               | -                                | -              |
| Assets donated to Leeds Diocesan<br>Board of Finance | (12,239)                      | (665)                        | (33,365)            | (5,995)                          | (52,264)       |
| At 30 April 2014                                     | -                             | -                            | -                   | -                                | -              |
| <b>Accumulated depreciation</b>                      |                               |                              |                     |                                  |                |
| At 1 January 2013                                    | -                             | 644                          | -                   | -                                | 644            |
| Charge for the period                                | -                             | 21                           | -                   | -                                | 21             |
| Assets donated to Leeds Diocesan<br>Board of Finance | -                             | (665)                        | -                   | -                                | (665)          |
| At 30 April 2014                                     | -                             | -                            | -                   | -                                | -              |
| <b>Net book value</b>                                |                               |                              |                     |                                  |                |
| At 30 April 2014                                     | -                             | -                            | -                   | -                                | -              |
| At 31 December 2012                                  | 11,016                        | -                            | 32,202              | 6,472                            | 49,690         |

All the Board's fixed assets are used for charitable purposes.

The date of the valuation was 30 October 2013. The valuation was carried out by Stephenson & Son Chartered Surveyors, York Auction Centre, Murton, York, YO19 5GF.

### 12 Investments

|  | Agricultural<br>land<br>£'000 | Commercial<br>property<br>£'000 | Listed<br>investments<br>£'000 | Total<br>£'000 |
|--|-------------------------------|---------------------------------|--------------------------------|----------------|
| <b>Within the United Kingdom</b>                     |                               |                                 |                                |                |
| At valuation   |                               |                                 |                                |                |
| At 1 January 2013                                    | 1,653                         | 180                             | 5,606                          | 7,439          |
| Additions  | -                             | -                               | 108                            | 108            |
| Disposals  | (76)                          | (180)                           | (3)                            | (259)          |
| Revaluation  | 974                           | -                               | 498                            | 1,472          |
| Assets donated to Leeds Diocesan<br>Board of Finance | (2,551)                       | -                               | (6,209)                        | (8,760)        |
| At 30 April 2014                                     | -                             | -                               | -                              | -              |
| Cost at 30 April 2014                                | -                             | -                               | -                              | -              |
| Cost at 31 December 2012                             | 958                           | 180                             | 4,631                          | 5,769          |



## Notes to the financial statements

### Listed investments

|   | 30 April 2014 |         | 31 December 2012 |       |
|---|---------------|---------|------------------|-------|
|   | Valuation     | Cost    | Valuation        | Cost  |
|   | £'000         | £'000   | £'000            | £'000 |
| Central Board of Finance of the Church of England |               |         |                  |       |
| Stocks  | -             | -       | 3                | 2     |
| Investment fund                                   | 4,413         | 2,723   | 3,856            | 2,615 |
| Property fund                                     | 1,796         | 2,014   | 1,747            | 2,014 |
| Assets donated to Leeds Diocesan Board of Finance | (6,209)       | (4,737) | -                | -     |
|   | -             | -       | 5,606            | 4,631 |

The agricultural land was revalued on 10 January 2014 by the Glebe agent Stephenson & Son, on an open market basis. The Glebe lands were vested in the Board on 1 April 2978 under the Endowments and Glebe Measure 1976.

### 13 Debtors

|   | 30 April<br>2014<br>£'000 | 31 December<br>2012<br>£'000 |
|---|---------------------------|------------------------------|
| <b>Due within one year</b>                        |                           |                              |
| Prepayments and accrued income                    | 39                        | 71                           |
| Loans to parishes                                 | 9                         | 4                            |
| Other debtors                                     | 215                       | 134                          |
|   | 263                       | 209                          |
| <b>Due after one year</b>                         |                           |                              |
| Loans to parishes                                 | 21                        | 5                            |
|   | 284                       | 214                          |
| Assets donated to Leeds Diocesan Board of Finance | (284)                     | -                            |
|   | -                         | 214                          |

### 14 Short-term investments

|   | 30 April<br>2014<br>£'000 | 31 December<br>2012<br>£'000 |
|---|---------------------------|------------------------------|
| CBF deposit fund                                  | 449                       | 662                          |
| Assets donated to Leeds Diocesan Board of Finance | (449)                     | -                            |
|   | -                         | 662                          |

## Notes to the financial statements

### 15 Creditors

|   | 30 April<br>2014<br>£'000 | 31 December<br>2012<br>£'000 |
|---|---------------------------|------------------------------|
| <b>Amounts falling due within one year</b>            |                           |                              |
| Other creditors                                       | 340                       | 220                          |
| Accruals and deferred income                          | 541                       | 721                          |
| Loans from the Church Commissioners: Permanent loans  | 130                       | 104                          |
| Assets donated to the Leeds Diocesan Board of Finance | (1,011)                   | -                            |
|   | <u>-</u>                  | <u>1,045</u>                 |
| <b>Amounts falling due after one year</b>             |                           |                              |
| Loans from the Church Commissioners: Value linked     | 913                       | 913                          |
| Permanent loans                                       | 1,160                     | 1,315                        |
| Assets donated to the Leeds Diocesan Board of Finance | (2,073)                   | -                            |
|   | <u>-</u>                  | <u>2,228</u>                 |

Loans, excluding the value linked loans, fall due as follows:

|   | 30 April<br>2014<br>£'000 | 31 December<br>2012<br>£'000 |
|---|---------------------------|------------------------------|
| In less than one year                                 | 130                       | 104                          |
| In one to two years                                   | 78                        | 104                          |
| In more than two but less than five years             | 311                       | 311                          |
| In more than five years                               | 771                       | 900                          |
| Assets donated to the Leeds Diocesan Board of Finance | (1,290)                   | -                            |
|   | <u>-</u>                  | <u>1,419</u>                 |

Value Linked Loan (VLL) and Permanent loans are for purchasing property and were raised from the Church Commissioners.

Value Linked Loans are subject to interest at an initial rate of 4% which is increased each year in line with the Retail Price Index. The loans are due for repayment when the respective properties or their replacements are no longer required. They are therefore regarded as long term but are payable on demand if the property is disposed of or no longer qualifies for a VLL. They are secured on the properties to which they relate.

Permanent loans are subject to interest at variable rates set by the Church Commissioners. These loans are repayable between 4 and 25 years and the principal is repaid on an annuity basis.

## Notes to the financial statements

### 16 Summary of assets per fund

|   | Fixed assets |             | Current | Creditors | Net assets |
|---|--------------|-------------|---------|-----------|------------|
|   | Tangible     | Investments | assets  |           |            |
|   | £'000        | £'000       | £'000   | £'000     | £'000      |
| <b>Endowment funds</b>                                |              |             |         |           |            |
| <b>Expendable endowment</b>                           |              |             |         |           |            |
| Stipends fund capital                                 | -            | 2,714       | 70      | -         | 2,784      |
| Glebe Land  | -            | 2,551       | -       | -         | 2,551      |
| Parsonage houses                                      | 33,365       | -           | -       | (239)     | 33,126     |
| Glebe houses  | 5,995        | -           | -       | (211)     | 5,784      |
| Assets donated to the Leeds Diocesan Board of Finance | (39,360)     | (5,265)     | (70)    | 450       | (44,245)   |
|   | -            | -           | -       | -         | -          |
| <b>Restricted funds</b>                               |              |             |         |           |            |
| Pastoral account                                      | -            | 1,514       | 741     | -         | 2,255      |
| Wakefield Drama Committee                             | -            | -           | -       | -         | -          |
| Assets donated to the Leeds Diocesan Board of Finance | -            | (1,514)     | (741)   | -         | (2,255)    |
|   | -            | -           | -       | -         | -          |
| <b>Unrestricted funds</b>                             |              |             |         |           |            |
| General   | -            | 1,981       | 879     | (882)     | 1,978      |
| DBF Houses  | 12,239       | -           | -       | (1,752)   | 10,487     |
| Assets donated to the Leeds Diocesan Board of Finance | (12,239)     | (1,981)     | (879)   | 2,634     | (12,465)   |
|   | -            | -           | -       | -         | -          |
| <b>Total</b>  | -            | -           | -       | -         | -          |

#### Stipends Fund Capital

This fund is governed by the Diocesan Stipends Measure 1953. The income of the fund can only be used for clergy stipends (but, since 1993, capital can be applied for improvements to parsonage houses).

#### Glebe Land

This fund is governed by the Endowments and Glebe Measure 1976. It represents the value of all the agricultural, commercial land in the Diocese held primarily to generate a sustainable income to continue to fund clergy stipends.

#### Parsonage houses

This fund represents the value of all the benefice houses (parsonages) in the Diocese after deducting loans outstanding in respect of such houses.

#### Glebe houses

This fund is governed by the Endowments and Glebe Measure 1976. It represents the value of all the houses transferred from benefice ownership to diocesan glebe by way of a pastoral scheme. They are retained for housing team ministers licensed to the benefice.

#### Pastoral account

This fund includes the proceeds of redundant churches and parsonages. The purposes for which the account may be used are laid down in Part 8 Sections 93 & 94 of the Mission & Pastoral Measure 2011.

This account also includes the housing scheme which are funds from the sale of parsonage houses held for a specific benefice. The funds cannot normally be released unless used for the benefice concerned or until an appropriate pastoral scheme has been affected.

#### General fund

This fund is available for any purpose within the objects of the Board. It is principally used for the payment of stipends, national insurance, pension contributions and housing costs of clergy and licenced lay-workers in parish ministry.

## Notes to the financial statements

### DBF Houses fund

This fund represents value of all the DBF corporate houses purchased with DBF funds transferred into DBF corporate ownership by pastoral scheme or donated or bequeathed for unrestricted purposes. They include houses for the suffragan bishop, archdeacons, assistant staff, sector ministers, Diocesan Headquarters and others.

### 17 Analysis of changes in net funds

|   | As at 1<br>January<br>2013<br>£'000 | Cash flow<br>£'000 | Assets<br>donated<br>to Leeds<br>Diocesan<br>Board of<br>Finance<br>£'000 | As at<br>30 April<br>2014<br>£'000 |
|---|-------------------------------------|--------------------|---|------------------------------------|
| Cash at bank  | 892                                 | 65                 | (957)   | -                                  |
| Debt  |                                     |                    |   |                                    |
| Loans from the Church Commissioners: Value linked loans | (913)                               | -                  | 913   | -                                  |
| Permanent loans   | (1,419)                             | 130                | 1,289   | -                                  |
| Current asset investments                               | 662                                 | (212)              | (450)   | -                                  |
|   | (1,670)                             | (82)               | 1,752   | -                                  |
| Net debt  | (778)                               | (17)               | 795   | -                                  |

### 18 Reconciliation of net cash flow to movement in net debt

|   | 2014<br>£'000 | 2012<br>£'000 |
|---|---------------|---------------|
| (Decrease)/increase in cash during the period     | (892)         | 124           |
| Cash flow from decrease in debt and financing     | 130           | 130           |
| Current asset investments                         | 662           | (616)         |
|   | (100)         | (362)         |
| Net funds at 1 January 2013                       | (778)         | (416)         |
| Assets donated to Leeds Diocesan Board of Finance | 878           | -             |
| Net funds at 30 April 2014                        | -             | (778)         |

### 19 Contingent liability

Closed churches in the Diocese are vested in the Board for care and maintenance until their disposal. The directors are unable to assess the extent of any future maintenance liabilities. During the period the Board had expenditure on maintaining closed churches of £194,253 (2012: £31,413), the majority of which was spent on the demolition of Stanley St Peter's Closed Church.

## Notes to the financial statements

### **20 Related party transactions**

The company and the Wakefield Diocesan Church Organization Society are under common control by virtue of common directors. During the period the company has paid £1,542 (2012: £4,200) by way of funding to the Wakefield Diocesan Church Organization Society. During the period the company provided management services of £nil (2012: £nil) with £nil outstanding at the period end from the Wakefield Diocesan Church Organization Society (2012: £nil).

The Wakefield Diocesan Board of Education is a company with a separate board membership. There are three directors (the Diocesan Bishop and the two Archdeacons) common to both boards. The officers of the Board of Education including the Secretary to the Board of Education are employed by the Wakefield Diocesan Board of Finance. During the period the company has paid a grant of £91,500 (2012: £64,400) by way of funding to the Wakefield Diocesan Board of Education. During the period the company provided management services of £254,022 (2012: £196,816) to the Wakefield Diocesan Board of Education. There is £94,290 (2012: £24,310) outstanding to Wakefield Diocesan Board of Education at the period end.