

EXETER DIOCESAN BOARD OF FINANCE LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1993

Registered Number : 186001

Registered Charity Number : 249798

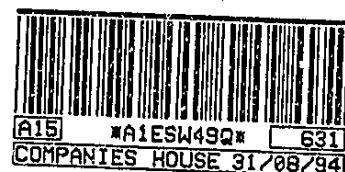
BISHOP FLEMING

CHARTERED ACCOUNTS

1 Barnfield Crescent

Exeter

Devon, EX1 1QY



EXETER DIOCESAN BOARD OF FINANCE LIMITED

FOR THE YEAR ENDED 31 DECEMBER 1993

CONTENTS

	PAGE
Members	1
Directors Report	2 & 3
Auditors Report	4
Income and Expenditure Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the financial statements	8

EXETER DIOCESAN BOARD OF FINANCE LIMITED

Membership

Ex Officio

Bishop of Exeter - President
Bishop of Crediton
Bishop of Plymouth
Archdeacon of Exeter
Archdeacon of Totnes
Archdeacon of Barnstaple
Archdeacon of Plymouth
Dean of Exeter

Archdeaconry Representatives

Exeter

Revd Preb Dr P D L Avis
Revd J Fairweather
Revd Preb J V Mapson

Totnes

Revd P W Darby
Revd P Hancock
Revd A K F Macey

Barnstaple

Revd J P Benson
Revd W G Blakey
Revd M J Pearson

Plymouth

Revd R J Carlton
Revd M D D Jones
Revd Preb S Philpott

Lay Representatives

Aylesbeare:	Mr B H Beacham	Woodleigh:	Mrs J M Trinick
Cadbury:	Mr J Sandford	Barnstaple:	Mr M A Hardiman
Christianity:	Mr G W Rice	Chulmleigh:	Mr R C M Bass
Cullompton:	Mr G G Miller	Hartland:	Mr P A Dean
Honiton:	Mr G Jones	Shirwell:	Mr R Soutter
Kenn:	Mr D Elson	South Molton:	Mr H R Pierce
Ottery:	Mr T B Harrow	Torrington:	Mr G S Inglis
Tiverton:	Mr C Morley-Smith	Ivybridge:	Mrs C Lock
Holsworthy:	Vacant	Plymouth:-	
Ipplepen:	Mr G A Tucker	Devonport:	Mr R B McNally
Moreton:	Mrs S E Coombes	Moorside:	Mrs P Razey
Okehampton:	Mr E Sweet	Sutton:	Mr F T Crowe
Totnes:	Mr R D Parkin	Tavistock:	Srg Cmdr G Salmon

Nominated by the Bishop

Mr G C B Kellagher (Chairman)
Revd A R Gibson
Mr J Hutchinson
Col R J Boyles

Co-opted

EXETER DIOCESAN BOARD OF FINANCE LIMITED

DIRECTORS REPORT

The Directors present their report and the financial statements for the year ended 31 December 1993.

Principal Activities

The Board acts as financial executive of the Diocesan Synod to promote the activities of the Church of England in the Diocese of Exeter. The Board also acts as custodian trustee and as agents to other trustees, boards, councils and committees of the diocese.

Review

The Board recorded a deficit of £53,511, for the year, which has been deducted from retained reserves.

Charitable and Political Contributions

No political contributions are paid by this charitable organisation. Charitable contributions have been paid as normal expenditure in the exercise of the Board's objects.

Directors

The names of the directors who served during the year are shown on page 1 of these financial statements.

Directors' Interests in Shares and Dividends

The Board is a company limited by guarantee and the directors, as members, may derive no benefit, income, or capital interest in the Board's financial affairs other than re-imbursement of out-of-pocket expenses. The Board has no share capital and is precluded from the payment of dividends. Each director may be required to contribute a sum not exceeding one pound in the event of winding up.

Taxation Status

As a charity the Board enjoys substantial exemption from income tax, corporation tax and capital gains tax.

Fixed Assets

Details of tangible fixed assets which have not been valued in the accounts, are available for inspection at Diocesan House, Exeter.

EXETER DIOCESAN BOARD OF FINANCE LIMITED

DIRECTORS REPORT CONT/D..

Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the re-appointment of Bishop Fleming as auditors to the company will be put to the Annual General Meeting.

Statement of Directors' Responsibilities

We are required under company law to prepare financial statements for each accounting period which gives a true and fair view of the state of affairs of the company and the surplus or deficit of the company for that period. In preparing those financial statements we are required to:

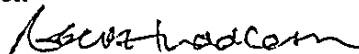
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures which are explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

By Order of the Board

Rev R R Huddleson
Secretary



Registered Charity No. 249798
Company No. 186001

Diocesan House
Palace Gate
Exeter
EX1 1HX

23 June 1994

EXETER DIOCESAN BOARD OF FINANCE LIMITED
REPORT OF THE AUDITORS TO THE MEMBERS
OF EXETER DIOCESAN BOARD OF FINANCE LIMITED

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on pages 8a to 8c.

Respective Responsibilities of Directors and Auditors

As described in the directors' report on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

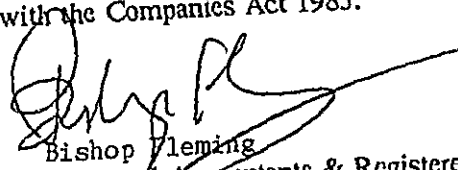
Basis of Opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1993 and of its deficit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Bishop Fleming
Chartered Accountants & Registered Auditors
1 Barnfield Crescent
Exeter, Devon
EX1 1QY

23 June 1994

EXETER DIOCESAN BOARD OF FINANCE LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1993

		Continuing Operations	
		1993	1992
	£	£	£
	<u>Notes</u>		
<u>INCOME</u>			
Parochial Share	3,156,693	2,642,957	
Rents Receivable	513,269	510,043	
Donations	67,169	76,086	
Interest and Dividends	568,066	625,547	
Closed Sequestration Accounts	-	4,571	
Contributions towards Stipends	74,028	55,271	
Assigned Fees	217,527	170,918	
Church Commissioners	1,031,798	1,204,130	
Miscellaneous	<u>16,786</u>	<u>-</u>	
		5,645,336	5,289,523
<u>GENERAL CAPITAL FUND</u>			
Interest and Dividends		<u>40,951</u>	<u>55,404</u>
		5,686,287	5,344,927
<u>EXPENDITURE</u>			
Maintenance of the Ministry:-			
Stipends, grants, administration			
and Dignitaries' expenses	4,016,023	3,798,966	
Ordinands - central apportionment	201,890	185,560	
Ministerial and lay training	26,532	30,140	
Diocesan Readers	<u>6,000</u>	<u>6,500</u>	
	4,250,445	4,021,166	
Clergy and Board Housing	589,089	584,583	
Married Ordinands' Grants	78,670	52,124	
Diocesan Director of Ordinands	6,462	4,492	
Education and Outreach	296,960	274,530	
Central & Diocesan Administration	422,266	384,868	
Church Buildings	61,460	64,900	
Urban Priority Areas	22,409	18,634	
Clergy Widows	7,402	8,273	
Clergy Marriage Breakdown	337	2,284	
Miscellaneous and Contingencies	4,358	1,981	
		<u>5,739,798</u>	<u>5,417,835</u>
(DEFICIT) FOR THE YEAR	4	<u>(53,511)</u>	<u>(72,908)</u>

Movement in reserves are shown in note 12.

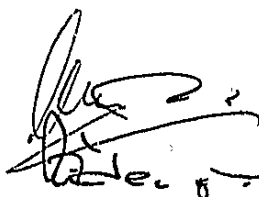
There are no recognised gains or losses in 1993 or 1992 other than the deficit for the year.

EXETER DIOCESAN BOARD OF FINANCE LIMITED

BALANCE SHEET AT 31 DECEMBER 1993

		1993	1992
		£	£
<u>Notes</u>			
<u>FIXED ASSETS</u>			
Tangible Assets	6	-	-
Investments	7	<u>2,820,929</u>	<u>2,471,106</u>
<u>CURRENT ASSETS</u>			
Other Debtors		817,217	469,501
Loans to Parishes	8	272,700	454,650
Loans to Clergy	9	-	4,011
Cash at Bank and in Hand		<u>1,183,581</u>	<u>2,159,180</u>
		<u>2,273,498</u>	<u>3,087,342</u>
<u>CREDITORS</u>			
(Falling due within one year)			
Creditors and Accruals		29,132	80,761
Central Board of Finance	10	6,700	18,700
Receipts in Advance		<u>44,095</u>	<u>67,080</u>
		<u>79,927</u>	<u>166,541</u>
<u>NET CURRENT ASSETS</u>		<u>2,193,571</u>	<u>2,920,801</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>5,014,500</u>	<u>5,391,907</u>
<u>CREDITORS</u>			
(Falling due after one year)			
Central Board of Finance	10	17,700	136,400
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>			
Future Expenditure	11	7,846	82,519
<u>CAPITAL AND RESERVES</u>			
Capital Funds	12	<u>4,988,954</u>	<u>5,172,988</u>
		<u>5,014,500</u>	<u>5,391,907</u>

The financial statements on pages 5 to 8 were approved by the board of directors on 23 June 1994.



G C B Kellagher, Chairman

Ven A F Tremlett, Vice Chairman

EXETER DIOCESAN BOARD OF FINANCE LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1993

	<u>Notes</u>	£	1993	£	1992	£
Net Cashflow from operating activities						
Investing Activities	14a		(534,168)		257,868	
Payments to Acquire Investments		(500,200)		(72,438)		
Receipts from sale of Investments		191,328		214		
Purchase of Property		(187,820)		-		
Sale Proceeds of Property		(45,000)		62,304		
Loans granted to Parishes		226,950		(215,000)		
Loans repaid by Parishes		<u>4,011</u>		<u>117,500</u>		
Loans to Clergy				<u>16,419</u>		
Net cash (outflow) / inflow before financing			(310,731)		(91,001)	
Financing			(844,899)		166,867	
Loans granted by CBF		5,000		145,000		
Loans repaid to CBF		(135,700)		(2,700)		
Loan repaid to Church Commissioners				(19,000)		
(Decrease)/Increase in cash & cash Equivalents	14b		(130,700)		(123,300)	
			£(975,599)		£ 290,167	

EXETER DIOCESAN BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1993

1. Constitution

The Board of Finance is incorporated as a company, limited by guarantee without a share capital. The directors, as members, may be required to contribute a sum not exceeding one pound each in the event of winding up.

2. General Form and Content of Financial Statements

The financial statements have been drawn up in a format that complies with the Companies Act 1985 in so far as provisions of this Act are appropriate to the Board. The Income and Expenditure Account is presented so as to show a true and fair view of the amounts dealt with in that statement. The board is a registered charity whose income and expenditure is not suited to any of the prescribed formats. The balance sheet is not in a statutory format, but a format suited to show a true and fair view of the company at the balance sheet date.

3. Accounting Policies

- a) The financial statements have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards with the exception of:-
 - i) Land and buildings which are not recorded in the balance sheet at a monetary cost or valuation. The market value of these properties at 31 December 1991 was estimated by the directors to be in the region of £6,250,000, and in the Directors' opinion there has been no significant change in this value since that date.
 - ii) Investments held at 31 December 1970 which are recorded at the market value on that date.
 - iii) Glebe Land where no value has been included in the accounts for the Diocesan Stipends Fund Capital Account assets or Glebe Land held before the Endowments and Glebe Measure 1976.
- b) Debtors, in respect of Parochial share, are only brought into account to the extent that they have been received following the balance sheet date.
- c) Investment income arising from stocks and shares is only brought into account when received.
- d) As a charity, the Board enjoys substantial exemption from income tax, corporation tax and capital gains tax.
- e) The Board is not registered for value added tax and accordingly, any such tax levied has been charged in the financial statements under the relevant expenditure heading.

**EXETER DIOCESAN BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1993 CONT/D..**

3. Accounting Policies Cont/d..

- f) Provisions for the replacement of vehicles, fixtures, fittings, office furniture and equipment, and office redecoration have been made to spread the cost of those items. Expenditure, when incurred, is charged against the provision for future expenditure and is not capitalised as fixed assets.
- g) Depreciation of fixed assets is inappropriate as these are not included in the accounts at a monetary cost or valuation.
- h) The Board, in its capacity as custodian trustee, holds assets and is responsible for the income and expenditure of certain trusts. The Trust accounts do not form part of these financial statements but are set out separately.
- i) Capital transactions are dealt with through the general capital fund – see note 12.
- j) Pension schemes.
 - 1) The Board participates in the Church of England Defined Benefits Scheme section of the Church Workers Pension Fund (the Fund), a pension scheme administered by the Church of England Pensions Board to provide benefits to lay employees based on final pensionable salaries. The assets of the Fund are held separately from those of the Employer.

The Pension costs for the year shown in these financial statements are equal to the contributions paid by the Employer. The contributions were assessed by a qualified actuary using the Projected Unit Credit method of valuation.

A full valuation of the Fund was undertaken as at 31 December 1992 and the actuarial position was re-assessed. The principal assumptions were that the return on assets would be 2% per annum higher than the increase in pensionable salaries and 4.5% per annum higher than the increases to pensions in payment. As at 31 December 1992 the Employer's share of the value of the assets amounted to £117,527. Their contribution rate was assessed at that date, and the Employer's section was shown to be in deficiency. The contributions allowed for this deficiency to be amortised over the next 5 years as advised by the Fund's actuaries.

Pensions in payment under this arrangement are entitled to annual increases of the lesser of 5% per annum or the rise in the RPI. An increase of 3.6% was granted with effect from 1 January 1993.

A further valuation of the Fund will be undertaken no later than the 31 December 1995.

EXETER DIOCESAN BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1993 CONT/D..

3. Accounting Policies Cont/d..

j) Pension schemes cont/d..

- 2) The board also participates in another defined benefits scheme administered by the Ecclesiastical Insurance Group to provide benefits to lay employees based on final pensionable salaries. The assets of this fund are held separately from those of the employer.

The pension costs for the year shown in these financial statements are equal to the contributions paid by the employer.

No details are currently available from the Ecclesiastical Insurance Group currently as to the funding of the scheme, its actuarial variation and any deficiencies the board may have to contribute.

4. <u>Deficit for the Year</u>	1993	1992
	£	£
This is stated after charging:-		
Auditors' remuneration	<u>6,475</u>	<u>7,989</u>
5. <u>Staff Costs and Employee Information</u>	1993	1992
	£	£
Total staff costs, including directors, are as follows:		
Wages and Salaries	168,382	159,837
Social Security Costs	11,733	10,662
Other Pension Costs (see note 3j)	<u>22,099</u>	<u>22,804</u>
	<u>202,214</u>	<u>193,303</u>

The average weekly number of employees, including directors, during the year was made up as follows:-

Administration staff	<u>12</u>	<u>11</u>
----------------------	-----------	-----------

6. Tangible Assets

Tangible assets represent land and buildings, a detailed schedule of which is available for inspection at Diocesan House, Exeter.

EXETER DIOCESAN BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1993 CONT/D..

7. <u>Investments</u>	1993		1992	
	Valuation or Cost £	Market Value £	Valuation or Cost £	Market Value £
Listed Investments	-	-	1,007	3,408
Unlisted Investments	<u>2,820,929</u>	<u>3,869,164</u>	<u>2,470,099</u>	<u>2,974,890</u>
	<u>2,820,929</u>	<u>3,869,164</u>	<u>2,471,106</u>	<u>2,978,298</u>

8. <u>Loans to Parishes</u>	1993	1992
	£	£
Repayable within one year	87,350	103,650
Repayable within two to five years	<u>185,350</u>	<u>351,000</u>
	<u>272,700</u>	<u>454,650</u>

Loans to parishes are for new church building and church building repairs.

9. <u>Loans to Clergy</u>	1993	1992
	£	£
Repayable within one year	-	3,448
Repayable after one year	<u>-</u>	<u>563</u>
	<u>-</u>	<u>4,011</u>

Loans to Clergy are made under the Diocesan Car Loan Scheme.

10. <u>Loans from Central Board of Finance of the Church of England</u>	1993	1992
	£	£
Repayable within one year	6,700	18,700
Repayable within two to five years	<u>17,700</u>	<u>136,400</u>
	<u>24,400</u>	<u>155,100</u>

The Central Board of Finance of the Church of England has provided loans, out of the Deposit Fund set up under the Church Funds Investment Measure of 1958, to finance loans to parishes for the repair and improvement of church buildings. These loans are repayable normally over five years and exceptionally over ten years at a rate of interest set annually in advance. 1994 - 5.6%; 1993 - 7.55%; 1992 - 10.6%.

EXETER DIOCESAN BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1993 CONT/D..

11. <u>Provisions for Future Expenditure</u>	1993	1992
	£	£
Motor Vehicles	17,033	8,122
Office Decoration	3,099	3,099
New Equipment	(15,164)	-
Parsonages Committee - see note 12	-	71,297
Other	<u>2,878</u>	<u>-</u>
	<u>7,846</u>	<u>82,518</u>

The parsonages committee balance representing accrued surpluses less deficits has been transferred to show as a capital fund balance, in accordance with other committees of the Board.

12. Capital Funds

	Balance B/fwd	Approp- riation	Other Movements	Balance C/fwd
	£	£	£	£
Maintenance of Ministry	1,500,649	(258,103)	(35,000)(a)	1,207,546
Diocesan car loan scheme	46,059	1,790	-	47,849
Clergy Housing - Parsonages	-	110,978	71,297 (b)	182,275
Training of Ordinands	1,677	8,466	-	10,143
New Church Buildings	209,523	4,133	-	213,656
Church Building Repairs	84,215	11,135	-	95,350
Church Building Loan Fund	397,251	17,719	20,000 (a)	434,970
Urban Priority Areas	124,747	(7,258)	15,000 (a)	132,489
Clergy Widows & Dependants	9,478	2,057	-	11,535
General Capital Fund	1,756,935	40,950	(187,820)(c)	1,610,065
Clergy Marriage Breakdown	(1,193)	761	-	(432)
Parsonage Capital	862,713	-	-	862,713
Glebe	28,531	-	-	28,531
Appropriation Account	<u>152,403</u>	<u>13,861</u>	<u>(14,000)(d)</u>	<u>152,264</u>
	<u>5,172,988</u>	<u>(53,511)</u>	<u>(130,523)</u>	<u>4,988,954</u>

Notes

- a) Transfers between Other Funds
- b) Transfers from Provisions - see note 11
- c) Purchase of House for Duty properties
- d) Mercer House grant

EXETER DIOCESAN BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1993 CONT'D.,

13. Capital Commitments

Loans and grants approved by the board at 31 December 1993 were as follows:-

	£
New Church Building Fund	31,000
Church Building (Repairs)	16,800
Diocesan Loan Fund	<u>53,000</u>

100,800

14 Notes to Cash flow Account

a. Reconciliation of Operating Deficit to net Cashflow from Operating Activities

	1993 £	1992 £
Deficit per Income and Expenditure Account	(53,511)	(72,907)
Profit on sale of Investment	(2,499)	-
Dividends capitalised	(38,452)	(55,404)
Grants made:		
Mercer House	(14,000)	-
Compensation to Priest		(79,624)
Bequest received		1,000
(Increase)/Decrease in other Debtors	(347,716)	434,241
(Decrease) in Creditors and Accruals	(51,629)	(2,929)
(Decrease)/Increase in Receipts in Advance	(22,985)	36,730
(Decrease) in Provisions	(3,376)	(3,239)

(534,168) 257,868

b. Analysis of Changes on Cash and Cash Equivalents During the Year

Balance at 1 January 1993	2,159,180	1,869,013
Net Cash (Outflow)/Inflow	(975,599)	<u>290,167</u>
Balance at 31 December 1993	£ <u>1,183,581</u>	£ <u>2,159,180</u>

c. Analysis of Changes in Financing during year

Loans from CBF

Balance at 1 January 1993	155,100	31,800
Cash (outflow)/inflow from financing	(130,700)	<u>123,300</u>
Balance at 31 December 1993	<u>24,400</u>	<u>155,100</u>