

**THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

# NORWICH DIOCESAN BOARD OF FINANCE LIMITED

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## REFERENCE AND ADMINISTRATIVE INFORMATION

**Executive Committee  
(Board of Directors)  
as at 24 April 2018**

William E. Hesselby OBE DL (Chairman)  
Robin P. Back  
The Ven. Steven J. Betts  
Vivienne Clifford-Jackson  
Hugh M. C. Coghill  
Michael A. J. Gurney  
Ray Hollands  
The Rt. Revd. Graham R. James  
Susan Martin  
Patricia Menaul  
Captain Anthony M. Poulter OBE RN  
Angela Robson  
The Revd. Canon Simon Stokes  
The Revd. Jeremy G. Sykes  
Julian Taylor  
The Revd. Canon Sally Theakston  
The Revd Timothy Weston

**Diocesan Secretary (Chief Executive)**

Richard M. Butler MBE DL

**Director of Finance**

Susan E. Bunting FCA

**Registered Office**

Diocesan House, 109 Dereham Road, Easton, Norwich,  
NR9 5ES

**Company Registration Number**

88175

**Charity Registration Number**

249318

**Auditor**

Lovewell Blake LLP, Bankside 300, Peachman Way,  
Broadland Business Park, Norwich, NR7 0LB

**Bankers**

Barclays Bank plc, London Street, Norwich, NR2 1HS

**Insurers**

Ecclesiastical Insurance Group, Beaufort House,  
Brunswick Road, Gloucester, GL1 1JZ

**Solicitors**

Birketts LLP, Kingfisher House, 1 Gilders Way, Norwich,  
NR3 1UB

Anthony Collins Solicitors LLP, 134 Edmund Street,  
Birmingham. B3 2ES

**Investment Advisors and  
Stockbrokers**

Barratt and Cooke Ltd, 5/6 Opie Street, Norwich  
NR1 3DW  
CCLA Investment Management Limited, 80 Cheapside,  
London EC2V 6EE  
JM Finn & Co, 4 Coleman Street, London, EC2R 5TA  
Sarasin & Partners LLP, Juxon House, 100 St Paul's  
Churchyard, London, EC4M 8BU

## 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 of dioceses of which there are 43 in England.

Each diocese in England is divided into parishes. Each parish is overseen ecclesiastically by a parish priest if not an 'incumbent' (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish.

Her Majesty the Queen, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally-led (there are some 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, today spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Pensions Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

### 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, the Cathedral, Norwich.

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

## SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND (continued)

### The Diocese

#### Diocesan Synod

The statutory governing body of the diocese is the diocesan synod which is elected with representation from across the diocese. The Synod has 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;
- where appropriate, give effect to the decisions made by the Diocesan Synod;
- consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- raise with Diocesan Synod such matters as it considers appropriate; and
- elect members of the deanery to the Diocesan Synod and of the diocese to General Synod.

#### 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.

#### 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 corporate charity, and all those not exceeding £100,000 annual gross income are currently excepted from registration with the Charity Commission. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

#### Parishes

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

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

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

## CHAIRMAN'S STATEMENT IN ANNUAL REPORT 2017

This is my sixth statement as Chairman of the Norwich Diocesan Board of Finance Limited and I have seen several changes since 2012. Most noticeably, 2012 was the year that our income from Parish Share fell to its lowest level for many years at £5.983 million. I am delighted to report that Parish Share received for the year ended 31 December 2017 was £7.098 million (92.4% of the total request) an increase of £1.115 million (18.6%) over a five year period. This is truly remarkable and I must offer my thanks to the people of this diocese for all that they do to extend the mission and ministry of Jesus Christ, ensuring the continued provision of ministry in our parishes. And, of course, the task is not concluded if mission here is to continue. Such generosity is kindled by lively faith in the promises of Christ.

I have also witnessed the development of three trading companies, WiSpire Limited, Spire Support Services Limited and Norwich Glebe Property Limited, the results of which are shown in note 33 on pages 44 and 45 of these financial statements. These companies were formed to provide alternative sources of income for the diocese and relieve the pressure on Parish Share. During March 2018 we sold our shareholding in WiSpire Limited to enable this to be run by IT specialists to enable it to grow. We will receive an income from the revenues of this company for the next five years.

At the end of 2017 our Glebe land was re-valued in accordance with our accounting policy to re-value every five years. This has seen a significant uplift from £5,447 per acre in 2012 to £6,388 per acre in 2017. This has increased the value of our balance sheet by £5.3 million. I acknowledge that our balance sheet looks very healthy, but as I have mentioned previously, we are asset rich and cash poor. We do not want to sell our land and investments as these are the assets we need to preserve and gain an income from to pay for our ministry and mission now and in the years to come.

2015 saw some significant changes to the way we are required to present our figures in accordance with the Statement of Recommended Practice for Charities (SORP 2015) and applicable accounting standards (FRS102). This meant the inclusion of the Norwich Diocesan Board of Finance Ltd share of the deficit on the national clergy pension scheme for the first time. At the 31 December 2017 our share of the deficit on this scheme was £4 million, a reduction of £0.142 million from the deficit of £4.142 million at 31 December 2016. We must remember of course that this is a snapshot in time and could well move significantly within days of the valuation.

2017 has also seen the launch of our Mission Strategy 2021, the appointment of two Church Army Officers, an increase in our work with the Church Urban Fund and the first entrants to the Diocese of Norwich Churches Trust, which was set up to relieve the burden and responsibility for the maintenance and associated running costs of churches situated in very small communities.

The results of the trading subsidiaries and the pension scheme adjustments mentioned above are shown in these consolidated financial statements, but they do make our operating position difficult to read. The summary on page 7 of my report removes the results of the trading subsidiaries and I would like to elaborate on this further; if we take the operating surplus of £520k as shown on page 7 and remove the large pension scheme adjustments and provisions we are required to make under accounting regulations, our true operating surplus for 2017 was actually £105k. This compares with an operating surplus of 319k in 2016.

During 2017 we continued to have a lower average number of stipendiary clergy in post at 167, leaving an average of 13 vacancies. The vacancies in stipendiary clergy posts were unplanned and were as a result of an unexpected longer period of time taken than anticipated to fill the posts. Had the budgeted posts been filled, this would have increased our costs by approximately £750k, giving an overall deficit of £644k before pension scheme adjustments. It is important to note that had we filled just an extra three vacant posts during 2017 we would have been in a deficit position. So whilst finances have continued on a stable footing, we must continue to think strategically. We know that we will see increased costs in providing education and increasing the number of Multi-academy trusts and free schools we have. So we cannot be complacent and must continue to look to raise funds from other sources but also continue to ensure that the income from Parish Share does not fall.

## CHAIRMAN'S STATEMENT IN ANNUAL REPORT 2017

Maintaining the level of Parish Share and increasing it if possible, is one of the biggest challenges we face and the biggest risk to our finances should it fall. This is monitored closely by the Parish Share Monitoring Group.

Our main areas of expenditure are ministry costs, with clergy stipends, national insurance, pension and housing costs amounting to £7.4 million in 2017, some 66% of our total expenditure.

Ministry costs (including stipends, pensions, removals and housing costs) increased by £32k. The Diocese contributed 39.9% of the national minimum stipend for every clergy member in the scheme within the Diocese.

We are continually reviewing overheads to ensure that we are working in the most cost efficient way, whilst still providing the essential services for our clergy and our parishioners. We also continue to look at maximising our assets to produce an income to support our activities, both now and in years to come.

The value of our balance sheet at 31 December 2017 was £141.4 million, £145.4 million excluding the clergy pension scheme liability (before trading subsidiaries, see note 38 on page 48 of the financial statements). Our fixed assets, being Houses, revalued Glebe land and an investment portfolio equate to £142.9 million, this leaves £2.5 million liquidity to run the Diocese on a daily basis.

The values of our investment portfolios have remained at an improved position at 31 December 2017, showing an overall increase of £1.542 million. It is uncertain how the markets will react as we move closer to leaving the European Union.

Looking forward, during 2018 we will be implementing some new schemes under the Diocesan Mission Strategy, such as the Bishop's Mission Strategy Fund, an Undergraduate training scheme and a Ministry Experience Scheme. We never rest on our laurels and the opportunities arising from new strategies are exciting and empowering for the people within the diocese, and necessary for the Church of England to stay relevant and a focal point for our communities.

Finally, as always, I would like to express my own thanks and the whole of the Executive Committee, to the Diocesan Secretary, Richard Butler and the Diocesan staff team for their enduring hard work and support.

The table on page 7 of my report summarises the results for the year.



**WILLIAM E. HUSSELBY OBE DL**

24 April 2018

## APPENDIX TO CHAIRMAN'S STATEMENT IN ANNUAL REPORT 2017

The table below summarises the main features of the year and my explanation of them. The figures are extracted from note 37 on page 47 of the financial statements and are prior to the consolidation of Subsidiaries.

	<b>Board 2017 £'000</b>	<b>Board 2016 £'000</b>	<b>Variances £'000</b>
Income	11,690	11,588	102
Expenditure	<u>(11,170)</u>	<u>(10,898)</u>	<u>(272)</u>
<b>Operating surplus</b>	<b>520</b>	<b>690</b>	<b>(170)</b>
Realised gains on sale of properties - Board	<u>332</u>	<u>631</u>	<u>(299)</u>
<b>Net income</b>	<b>852</b>	<b>1,321</b>	<b>(469)</b>
Adjustment of value linked loans	(8)	(86)	78
Actuarial (loss)/gain on defined benefit pension scheme	(223)	201	(424)
Transfer (to)/from other funds	-	-	-
Gains on investment assets:			
Sale of glebe property (realised gains)	709	95	614
Revaluation of glebe holding	5,318	-	5,318
Quoted and unquoted investments			
Realised	18	238	(220)
Unrealised	<u>1,510</u>	<u>1,155</u>	<u>355</u>
Increase in funds	<u>8,176</u>	<u>2,924</u>	<u>5,252</u>



## THE EXECUTIVE COMMITTEE AND DIRECTORS' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Executive Committee, who are also directors for the purposes of company law, present their combined trustees' and directors' report and strategic report together with the audited financial statements, for the year ended 31 December 2017.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

### Objectives

Norwich Diocesan Board of Finance Limited 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 Norwich and elsewhere, providing resources for Ministry and Mission. These activities have been undertaken during the year and there have been no significant changes in its policies.

### Structure, governance and management

The Diocese of Norwich was founded in 1094 and took broadly its present form in 1906. It covers an area of 1,804 square miles. The approximate population is 905,000 and the demographics are as follows: the diocese is the 8<sup>th</sup> largest in England in geographical area but only 33<sup>rd</sup> in terms of density of population. The city of Norwich (total population around 135,000) is the area's key centre of economic activity. Apart from Norwich there are four other significant conurbations which spread around the periphery: Kings Lynn, Great Yarmouth, Lowestoft and Thetford. The rural areas contain a scattered population living in communities ranging from market towns (of which Norfolk has many, most of them growing) to smaller villages and remote hamlets.

The Diocese is arranged in three archdeaconries being Norwich, Thetford and Lynn. In total there are some 560 parishes.

### Diocesan governance

The Diocese is governed by Standing Orders approved by Diocesan Synod. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of ex officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay members elected by the house of laity in Deanery Synods, up to five persons who may be co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Many of Diocesan Synod's responsibilities have been delegated to the Standing Committee which is the Bishop's Council.

### Company status

The company, Norwich Diocesan Board of Finance Limited, is established to manage the financial affairs, and hold legal title to the assets, of the Diocese of Norwich. It was incorporated on 28 March 1906 as a charitable company limited by membership guarantee (No. 88175), and its governing documents are the Memorandum and Articles of Association (as amended on 28 April 1970, 5 May 1970 and 19 June 2010). Norwich Diocesan Board of Finance Limited is registered with the Charity Commission (No. 249318).

Every member of Diocesan Synod is a member of Norwich Diocesan Board of Finance Limited for company law purposes and has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

### Decision-making structure

Within the supervisory powers of the Diocesan Synod, as listed below, certain diocesan functions (those italicised below) are undertaken by the Executive Committee in pursuit of Norwich Diocesan Board of Finance Limited's charitable Objects:

- Planning the business of Synod including the preparation of agendas and papers
- Initiation of proposals for action by the Diocesan Synod and provision of policy advice;
- Transacting the business of the Diocesan Synod when not in session;
- Management of the funds and property of the Diocese
- Preparation of annual estimates of expenditure

## REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED - continued

### Structure, governance and management (continued)

- Advising on action needed to raise the income necessary to finance expenditure
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it.
- Appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod;
- Carrying out any other functions delegated by Diocesan Synod.

The Executive Committee has delegated responsibility for the day-to-day management of the Board to the Diocesan Secretary who is supported by a senior management team and their staff.

All members of the Executive Committee give their time voluntarily and receive no benefits from the Board. During the year Norwich Diocesan Board of Finance Limited made contributions to the Church Commissioners towards the stipends, national insurance and pension contributions of the licensed clergy who are Executive Committee members and provided houses, including the payment of council tax and maintenance costs, as part of normal clergy remuneration.

### **Committee structure**

There are a number of Diocesan Synod committees that, though not sub-committees of Norwich Diocesan Board of Finance Limited, can influence the operations of the Board.

Those that follow are statutory committees:

**Property Committee**, which is responsible for overseeing policy and making major decisions concerning the management of parsonage houses in each benefice, including implementing the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board. This Committee's work is now included in the mainstream work of the Property Executive which is a sub-committee of the Executive Committee of the Norwich Diocesan Board of Finance Limited.

**Glebe Committee**, which is responsible for overseeing policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocesan Stipends Fund of the Diocese of Norwich.

**Diocesan Advisory Committee**, which advises the Chancellor 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.

**Mission and Pastoral Committee**, is responsible for pastoral reorganisation taking account of finance, clergy numbers and new patterns of ministry. The Committee advises the Bishop on Bishop's Mission Orders and is also responsible for church buildings other than the work of the DAC. This Committee's work is now included in the mainstream work of the Bishop's Council.

In addition to the statutory committees, there are also the following committees:

**Investment Policy Group**, which is responsible for determining policy and making major decisions concerning the management of the consolidated investment portfolio in order to gain the best return from these assets to help sustain the ministry of the Church, without undue risk.

**Asset Management Committee**, which works closely with the Property committee, Glebe committee and Investment Policy Group to manage the extensive property portfolio in order to improve the quality of the existing housing stock and make best use of the assets to generate additional revenue.

### **Recruitment and appointment of Executive Committee**

The Executive Committee members listed on page 2 are the directors of the company for the purposes of company law and in accordance with the Articles of Association shall be the following persons:

## REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED - continued

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

- The Chair of the Board, to be nominated by the Bishop's Council;
- The Deputy Chair of the Board, to be nominated by the Bishop's Council;
- The Treasurer of the Board, to be nominated by the Bishop's Council;
- An Archdeacon, to be nominated by the Bishop's Council;
- The Clerical Vice-President of the Diocesan Synod;
- The Lay Vice-President of the Diocesan Synod;
- Three lay members of the Diocesan Synod and three clerical members of the Diocesan Synod to be elected by the Diocesan Synod;
- Up to three additional persons as may be co-opted by the Executive Committee from time to time.

### ***Induction and training of Executive Committee***

The Executive Committee is aware of the 2011 Charities Act requirement to ensure that all members receive appropriate induction and training. Periodically members attend talks on charity governance.

### ***Remuneration of key management personnel***

Emoluments of higher paid personnel are determined by the Chairman of the Board of Finance and the Diocesan Secretary and approved by the Executive Committee. The emoluments of the Diocesan Secretary are determined by the Bishop of Norwich and the Chairman of the Board of Finance. All employees including key management personnel have regular appraisals and remuneration is based on salary scales which are regularly benchmarked and reviewed.

### ***Related parties/Connected charities***

Norwich Diocesan Board of Finance Limited 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 Area Bishops are borne by the Church Commissioners.

In pursuit of its charitable objectives, the Board acts as agent for a number of Diocesan Boards including the Board of Education, the Board for Social Responsibility and the Ministry division.

The Diocese of Norwich Education and Academies Trust and St Benet's Multi-academy Trust are connected charities of the Norwich Diocesan Board of Finance Limited. Church academies have a clause written into their funding agreements which requires the Academy Trust to ensure that the quality of Religious Education and the contents of the Academy's collective worship are given in accordance with the tenets and practice of the Church of England.

The Diocese of Norwich Churches Trust was established during 2015 and is a connected charity of the Norwich Diocesan Board of Finance Ltd. This is a Charitable Incorporated Organisation (CIO) set up to relieve incumbents and PCC members with very small congregations, from the burden and responsibility of the Churches running costs, this became active during 2017.

In addition the Board acts as managing or custodian trustee for approximately 1,800 Parish and other religious trusts which hold property and investments. All trust assets are recorded and maintained separately from the Board's own assets. It also co-operates with and provides advice to Parochial Church Councils, the Chapter of Norwich Cathedral, the Horstead Centre and other church bodies.

The Board is required by Measure to be custodian trustee in relation to Parochial Church Council property, but has no control over Parochial Church Councils, which are independent charities. The accounts of Parochial Church Councils and deaneries do not form part of these financial statements.

Parochial Church Councils are able to influence the decision-making within Norwich Diocesan Board of Finance Limited and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF

## THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

### Structure, governance and management (continued)

#### ***Pension scheme***

Norwich Diocesan Board of Finance Limited is the sponsoring employer of the Norwich Diocesan Board of Finance Pension Scheme. This is a pension fund for the benefit of employees of Norwich Diocesan Board of Finance Limited. One trustee of the scheme is an employee of the Board. The scheme has been closed to new entrants. Costs of administration and secretarial services are borne by the Board.

The Board also participates in the Church of England Funded Pension Scheme. Further details are contained in note 28 to the financial statements.

#### ***Subsidiary undertakings***

The Board's subsidiaries are considered to be The Diocese of Norwich Consolidated Education Endowments (formerly Schemes under Section 554 of the Education Act 1996) and certain trusts over which the Board has absolute discretionary control and of which it is a beneficiary. The Board has four trading subsidiaries, Spire Support Services Limited, WiSpire Limited (see note 33 on page 44), Norwich Glebe Property Limited (see note 33 on page 45) and NDBF Easton Limited. NDBF Easton Limited has been established to be part of a land-owners consortium for property development in the village of Easton, this company will become active during 2018.

### **Strategic Report**

Key performance indicators are shown in the relevant sections of this report.

#### **a) Activities, Benefits and Achievements**

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

The key activities may be summarised as:

- To seek a constructive and positive relationship with the people of the Diocese;
- To communicate effectively across all areas of Diocesan activity;
- To exercise and promote good stewardship of Diocesan resources to support growth;
- To provide mechanisms for evaluating performance through a regular programme of reflection and review.

#### ***Public benefit***

The Executive Committee is 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 Executive Committee believes that, by promoting the work of the Church of England in the Diocese of Norwich, the Board 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.

Norwich Diocesan Board of Finance Limited supports the clergy through the payment of stipends, the management of parsonages, and clergy training. This provides a benefit to members of the general public in each parish. The Church also carries out marriages, baptisms and funerals which are attended by the general public, and enriches local communities by the provision of other services across the Diocese.

The Board of Education provides support services and capital expenditure support for schools and academies, thus benefiting the pupils, and the improvement of the buildings benefits the local community.

Norwich Diocesan Board of Finance Limited also makes grants to connected charities and to other charitable projects in support of the above objectives.

The benefits outlined above are related to the aims of the Diocese in helping to promote, carry on and assist the work of the Church of England in the Diocese of Norwich and elsewhere, providing resources for Ministry and Mission. They also relate to a large section of the general public whose opportunity to benefit is not unreasonably affected by geographical or financial restrictions.

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED - continued

## **Achievements and performance**

### ***Our plans and achievements during 2017 were:***

#### **During 2017 the Board planned to:**

- Implement the renewed Diocesan Mission Strategy. This is intended to build on Committed to Growth which was launched ten years ago. The Diocese is faced with new challenges – new housing areas, fresh opportunities in education, consolidating Fresh Expressions of church, learning from those places where the Church is growing and considering the role of our rural church buildings in small communities in the future.
- Appoint four Church Army Officers in the Kings Lynn and Harleston areas to develop a fruitful ministry with a commitment to communicating the gospel to those who have little or no meaningful relationship with church.
- Work with the Together Network, set up by the Church Urban Fund, to develop capacity for action at a local level, and to inform, inspire, resource and support local churches and organisations, as they work to address issues of social justice and relationships between communities.
- Run a series of 'Resourcing Your Parish' exhibitions and workshops in the Spring and Autumn of 2017, to provide practical help and support to people in our parishes.
- Continue to monitor the progress of the Parish Share allocation method and action areas of concern;
- Continue to establish the Diocesan Churches Trust, to help to discover an appropriate solution for Churches in very small communities and with tiny congregations, so that the incumbent and the PCC are relieved of the burden and responsibility of maintenance with its associated running costs.
- Continue to support and develop the trading subsidiary companies;
- Continue to support and develop the Diocese of Norwich Education and Academies Trust and St Benet's Multi-academy Trust.
- Work closely with HM Revenue and Customs to maintain good standards of record keeping, ensuring new legislation and reforms are followed, communicating this information effectively to parishes.

#### **During the year the board has achieved:**

- On 14<sup>th</sup> October 2017 a launch day was held in Norwich Cathedral for Mission Strategy. A new 'Committed to Growth in Service' Grants Scheme was launched which offers parishes up to £1,000 towards mission through service in local communities.
- Two Church Army Officers were appointed in November 2017. One in Kings Lynn and One in Harleston.
- The Diocese funds 50% of 'Imagine Norfolk Together' in conjunction with the Together Network and the Church Urban Fund, to develop capacity for action at a local level, and to inform, inspire, resource and support local churches and organisations, as they work to address issues of social justice and relationships between communities.
- A series of 'Resourcing Your Parish' exhibitions and workshops were held in the Spring of 2017.
- The Parish Share system 'TRiO' was introduced in January 2014. A monitoring group was established and continued to meet regularly during 2017 to monitor the progress of Parish Share receipts and action areas of concern.
- The Diocese of Norwich Churches Trust was established in 2016 and received the first entrants to the Trust during 2017.
- The board has continued to actively support three trading subsidiaries, to improve services provided to parishes. Two of which have seen a surplus position during 2017. WiSpire Limited was sold in March 2018 (see note 33 on page 44).
- The board has continued to help develop the Diocese of Norwich Education and Academies Trust and St Benet's Multi-academy Trust.

### ***Operational performance***

Norwich Diocesan Board of Finance Limited received 92.4% of parish share requested for the year and has met all of its financial obligations to continue resourcing 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 the Diocese.

This has been achieved through a number of factors, including sound management, good systems and practice.

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

## Achievements and performance (continued)

### **Investment performance – overall performance**

The overall value of Diocesan investment assets increased by £6,948,000 during 2017, as compared with an increase of £1,410,000 in 2016. This increase includes the revaluation of glebe land of £5,318,000.

In 2017 the operational activities of the Diocese were financed by £623,000 from interest and dividends (2016: £622,000).

### **Glebe investments**

£37.1 million of the Board's investments are in glebe land, primarily to generate a sustainable income to continue funding clergy stipends.

Rents receivable amounted to £773,000 (2016: £722,000).

Investment in equity and fixed interest funds were valued at £10.7 million at 31 December 2017 (2016: £9.9 million). The unrealised profit in the value of investments during the year amounted to £6,129,000 (including glebe land revaluation of £5,318,000). Dividends and interest receivable amounted to £368,000 (2016: £361,000).

### **General and other fund investments**

Other investments are held on behalf of restricted and general funds. The policy with these investments is to safeguard capital and to achieve capital growth. Investment in equity and fixed interest funds were valued at £8.1 million at 31 December 2017 (2016: £7.4 million), an increase of £0.7m or 9.5%. Dividends and interest receivable amounted to £255,000 (2016: £261,000).

### **Value linked loans**

As detailed in note 18, freehold property subject to value linked loans comprises freeholds where loans have been received from Church Commissioners or Parochial Church Councils towards the capital expenditure and as part of the agreement all or part of the sale proceeds are repayable on final disposal. The Board is committed to repay the outstanding value linked loans in the short term as funds become available. Total value linked loans at 31 December 2017 were £501,000 (2016: £664,000).

### **Statutory functions**

Norwich Diocesan Board of Finance Limited has responsibility for the management of glebe property and investments to generate income to support the cost of stipends. It is the Diocesan authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board. The trustees are custodian trustees in relation to PCC property.

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

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry. Grants are paid to other connected charities and to other charitable projects which appear to the Board to support the furtherance of Norwich Diocesan Board of Finance Limited's objects.

### **Volunteers**

Norwich Diocesan Board of Finance Limited is dependent on the huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly at times of crisis. Within this context, the Executive Committee greatly value the considerable time given by all the volunteers across the diocese in pursuit of the mission of the Norwich Diocesan Board of Finance Limited.

## **b) Financial review**

The results for the year shown in the Statement of Financial Activities on page 20 and the year end position shown in the balance sheet on page 22 are considered to be satisfactory. Results and highlights for the year and future prospects are given in the Chairman's Statement on pages 5 to 7.

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

## Financial review (continued)

### *Financial performance*

Income before revaluation adjustments totalled £13 million (2016: £13 million) and expenditure amounted to £12.1 million (2016: £12.2 million).

The Statement of Financial Activities (SOFA) for the year shows net income of £902,000 (2016: £796,000) before net gains and losses on the revaluation of investments and fixed assets and on the sale of investment assets, and actuarial losses on the defined benefit pension scheme.

The accounts show an increase in the balance sheet total of £8,219,000.

The Norwich Diocesan Board of Finance Ltd share of the Church of England Pension Scheme defined benefit funding deficit at 31 December 2017 was £4m (2016: £4.142m) see note 28 to the financial statements.

During the year, total fund balances increased from £134.3 million to £142.5 million.

### *Principal funding sources*

Around 55% of the income of the Board comes from the Parish Share, 11.5% from National Church Selective Allocations, 10.7% from investment income, and 5.5% from statutory fees.

### *Going concern*

After making enquiries the Executive Committee are satisfied that Norwich Diocesan Board of Finance Limited has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

### *Investment policy*

The Board's aim is to gain the best return from their assets to help sustain the ministry of the Church, without undue risk. Their portfolio includes fixed interest, bank and stock market investments, freehold properties and glebe land.

The Executive Committee have delegated the functions and duties in relation to Investment Management to the Investment Policy Group (IPG). The members of the IPG are appointed by the Executive Committee and are made up of a number of Executive Committee members and advisors who are reasonably believed, by the Executive Committee, to be qualified by ability and practical experience in matters relating to investments. The members of the IPG are guided by the best practice advice issued by the Charity Commission for the investment of Charitable Funds.

The Board's investment policies are based on two key policies:

Long-term responsibilities and growth – the Executive Committee are aware of their long-term responsibilities and as a result follow a correspondingly prudent approach to investment decisions. Investment policy for long term funds is aimed primarily at generating a sustainable income with due regard to the need for the preservation of capital value and the possible need to realise investments to meet operational needs. Glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an on-going basis. The overall aim is for a return of RPI plus 3%.

Ethical investment – the Executive Committee adopt an ethical investment policy that follows the Church of England Ethical Investment Advisory Group (EIAG) guidelines, this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

### *Reserves policy*

Norwich Diocesan Board of Finance Limited has considerable responsibilities including the remuneration of up to 180 parochial stipendiary clergy, the upkeep of approximately 260 houses, and the employment of 42 (f.t.e) full or part time staff, and it is therefore essential that the Board carries an appropriate level of reserves to meet these responsibilities.

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

## Financial review (continued)

The free reserves of the Board at 31 December 2017, comprising the income funds freely available for general purposes (and which are not yet spent, committed or restricted) amounted to £1.4 million as compared with £1.5 million at the end of the previous year. Free reserves include free designated reserves of £189,000.

The Executive Committee have reviewed the reserves policy and continues to aim to build up the free reserves to approximately £3 million being four and a half months expenditure within the Capital and General fund and designated funds.

As stated in note 27, the Diocesan Secretary is sanctioned by the Bishop of Norwich to use monies from the Benefice Buildings and Pastoral Fund - this is mainly called upon when there are insufficient resources within the General Fund. The Benefice Building and Pastoral Fund is regarded as an expendable endowment (a restricted fund). The investments and net current assets within this fund at 31 December 2017 amounted to £2.5 million (2016: £4.1 million).

Total other restricted funds excluding tangible assets and long term liabilities at 31 December 2017 amounted to £56 million (2016: £48 million).

## c) Plans for the future

### In 2018 the Board plans to do the following:

- Continue to implement the renewed Diocesan Mission Strategy. This is intended to build on Committed to Growth which was launched ten years ago. The Diocese is faced with new challenges – new housing areas, fresh opportunities in education, consolidating Fresh Expressions of church, learning from those places where the Church is growing and considering the role of our rural church buildings in small communities in the future.
- Launch a new Bishop's Mission Strategy Fund to fund mission initiatives.
- Implement an Undergraduate Training Scheme. We plan to start two students in 2018. This is in response to a sense that many of our churches undertake excellent work with children and young people at primary level, but that there are fewer cases of this continuing into secondary level. We are keen to build confidence and capacity for this important aspect of our mission and ministry.
- Implement a Ministry Experience Scheme. We are in the process of looking to recruit a small group of young people who will explore their vocation together for a year. This comes at a time when we have seen a very encouraging increase in the numbers of people beginning training for ordination and also in beginning the process of exploring their vocation.
- Appoint a further two Church Army Officers in the Kings Lynn and Harleston areas to develop a fruitful ministry with a commitment to communicating the gospel to those who have little or no meaningful relationship with church.
- Continue to work with the Together Network, set up by the Church Urban Fund, to develop capacity for action at a local level, and to inform, inspire, resource and support local churches and organisations, as they work to address issues of social justice and relationships between communities.
- Continue to monitor the progress of the Parish Share allocation method and action areas of concern;
- Continue to support the Diocesan Churches Trust, to help to discover an appropriate solution for Churches in very small communities and with tiny congregations, so that the incumbent and the PCC are relieved of the burden and responsibility of maintenance with its associated running costs.
- Obtain planning permission on the agreed extension to Diocesan House.
- Continue to support and develop the trading subsidiary companies;
- Continue to support and develop the Diocese of Norwich Education and Academies Trust and St Benet's Multi-academy Trust.
- Work closely with HM Revenue and Customs to maintain good standards of record keeping, ensuring new legislation and reforms are followed, communicating this information effectively to parishes.



## **REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued**

### **d) Principal Risks and Uncertainties**

The Executive Committee confirm that the major risks to which Norwich Diocesan Board of Finance Limited is exposed, as identified by the Executive Committee and staff, have been reviewed and that systems and procedures have been established to manage those risks. Risks are reviewed and managed as part of the risk management strategy.

A risk register has been compiled covering potential governance and management risks, operational risks, financial risks, environmental/external risks, and compliance risks. Potential risks are explained with their likely impact, and procedures to mitigate the risks are listed. The Executive Committee review the risk register at least annually as part of the risk management strategy.

The most significant and major financial risk facing the charity remains the shortfall in donations from parishes to the Parish Share as this is the main contribution received to fund the work of the Board. Work continues on an affordable plan for the delivery of the charity's main objectives in the long term.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Executive Committee.

### **Funds held as custodian trustee for others**

The Board is custodian trustee for approximately 1,800 Parish and other religious trusts which hold property and investments. The Board also holds Parochial Church Council property as custodian trustee. Each PCC is a separate charity and the assets are held separately from those of Norwich Diocesan Board of Finance Limited.

### **Fixed Assets**

The movements in fixed assets are set out in notes 18 to 20 in the accounts.

All of the Board's properties were re-valued at 31 December 2012 in accordance with the Board's normal accounting policy of re-valuing every five years.

The Board has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Executive Committee members therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their pre-existing balance sheet revaluation as deemed cost. No further revaluations will be performed on these assets.

The Glebe holdings were revalued as at 31 December 2017, in accordance with the policy set out on page 27. Glebe land was valued by FPD Savills, Property Consultants, at market value at 31 December 2017.

### **Fundraising standards information**

The board supports raising funds from the public in relation to the annual Lent appeal and 'Archdeacon's Charge' event. No professional fundraisers or third party commercial participators are used. The Board is registered with the Fundraising Regulator.

The Diocese employs an Events Coordinator who is monitored on a regular basis and reports to the Chief Executive. The board is pleased to report that no complaints have been received.

No direct contact is made with the public regarding fundraising activities. All advertising is carried out via Diocesan publications, social media or websites.

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

## Statement of Executive Committee's Responsibilities

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

Company law requires the Executive Committee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for the year. In preparing these financial statements, the Executive Committee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Board will continue in operation.

The Executive Committee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. The Executive Committee is also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Executive Committee is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Executive Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Executive Committee is 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.

## Members of the Executive Committee

Members of the Executive Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 2. Hugh Coghill was appointed on 15 January 2018.

## Auditor

A resolution to re-appoint Lovewell Blake LLP as auditor of the Board will be proposed at the Annual General Meeting on 23 June 2018.

The Report of the Executive Committee (incorporating Strategic Report) was approved by the Board on 24 April 2018.

Signed by Order of the Board



**RICHARD M. BUTLER MBE DL**, Secretary

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED

## Opinion

We have audited the financial statements of Norwich Diocesan Board of Finance Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and the Parent Charitable Company Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2017, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Executive Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Executive Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The Executive Committee is responsible for the other information. The other information comprises the information included in the Report of the Executive Committee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Executive Committee (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

### Responsibilities of the Executive Committee

As explained more fully in the Trustees' Responsibilities Statement (set out on page 17), the Executive Committee (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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the group or the parent charitable company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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NR7 0LB  
24<sup>th</sup> April 2018

Mark Proctor FCA DChA (Senior Statutory Auditor)  
For and on behalf of  
LOVEWELL BLAKE LLP  
Chartered Accountants  
& Statutory Auditor

*Lowell Blake UP*

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31st December 2017

Note	* Restricted Funds			* Other Restricted Funds		Total Funds 2017	Total Funds 2016
	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	Restricted Funds £'000	£'000	£'000	
<b>Income and endowments from</b>							
<b>Donations</b>							
2	7,098	-	-	-	<b>7,098</b>	7,003	
	-	-	1,505	12	<b>1,517</b>	1,639	
	341	-	-	120	<b>461</b>	346	
<b>Charitable activities</b>	843	-	3	15	<b>861</b>	942	
<b>Other activities</b>	382	1	-	944	<b>1,327</b>	1,121	
<b>Investments</b>	79	150	1,141	26	<b>1,396</b>	1,344	
<b>Other sources</b>	-	249	82	1	<b>332</b>	632	
<b>Total income</b>	<b>8,743</b>	<b>400</b>	<b>2,731</b>	<b>1,118</b>	<b>12,992</b>	<b>13,027</b>	
<b>Expenditure on</b>							
<b>Raising funds</b>							
7	188	-	114	865	<b>1,167</b>	1,597	
<b>Charitable activities</b>							
8	8,711	32	1,988	192	<b>10,923</b>	10,634	
<b>Total expenditure</b>	<b>8,899</b>	<b>32</b>	<b>2,102</b>	<b>1,057</b>	<b>12,090</b>	<b>12,231</b>	
<b>Net income before investment gains</b>	<b>(156)</b>	<b>368</b>	<b>629</b>	<b>61</b>	<b>902</b>	<b>796</b>	
<b>Net gains on investments</b>	273	435	6,848	35	<b>7,591</b>	1,516	
<b>Net income</b>	117	803	7,477	96	8,493	2,312	
<b>Transfers between funds</b>	-	-	-	-	-	-	
<b>Other recognised gains/(losses)</b>							
26	(8)	-	-	-	<b>(8)</b>	(86)	
28	136	-	(359)	-	<b>(223)</b>	201	
<b>Net movement in funds</b>	<b>245</b>	<b>803</b>	<b>7,118</b>	<b>96</b>	<b>8,262</b>	<b>2,427</b>	
<b>Reconciliation of funds</b>							
Total funds at 1st January 2017	5,228	79,823	47,955	1,304	<b>134,310</b>	131,783	
Minority Interest	-	-	-	(43)	<b>(43)</b>	100	
<b>Total funds at 31st December 2017</b>	<b>5,473</b>	<b>80,626</b>	<b>55,073</b>	<b>1,357</b>	<b>142,529</b>	<b>134,310</b>	

The fund-analysis of the comparative figures is shown in note 28 to the accounts.

The notes on pages 24 to 48 form part of these accounts.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 31st December 2017**

	2017 £'000	2016 £'000
Total income (note 1 below)	12,647	12,384
Expenditure	<u>(12,090)</u>	<u>(12,231)</u>
<b>Operating surplus for the year</b>	557	153
Interest receivable	14	12
Net gains on investment assets	<u>7,591</u>	<u>1,516</u>
<b>Surplus for the year</b>	8,162	1,681
<b>Other comprehensive income:</b>		
Revaluation of fixed assets	(8)	(86)
Net assets transferred from endowments	331	631
Defined benefit scheme actuarial gains/(losses)	<u>(223)</u>	<u>201</u>
<b>Total comprehensive income for the year</b>	<u><u>8,262</u></u>	<u><u>2,427</u></u>

All income and expenditure relates to continuing activities

Total income comprises £8,743,000 for unrestricted funds and £3,904,000 for restricted funds, including subsidiaries and quasi subsidiaries. A detailed analysis of income by source is provided in the Statement of Financial Activities and notes 2 to 6 to the accounts. Detailed analysis of the expenditure is provided in the Statement of Financial Activities and notes 7 to 12 to the accounts.

The net surplus for the year of £8,162,000 comprises £117,000 net surplus of Unrestricted Funds and £8,045,000 net surplus of Restricted Funds.

The summary income and expenditure account is derived from the Statement of Financial Activities on page 20, which together with the notes to the financial statements on pages 24 to 48, provides full information on the movements during the year on all the funds in the group.

All income and expenditure derives from continuing activities.

**Note 1 Reconciliation of Summary Income and Expenditure to Statement of Financial Activities**

	2017 £'000	2016 £'000
Total income per page 20	12,992	13,027
Less interest receivable	(14)	(12)
Less total endowment additions	<u>(331)</u>	<u>(631)</u>
Total income per above	<u><u>12,647</u></u>	<u><u>12,384</u></u>

The notes on pages 24 to 48 form part of these accounts.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**At 31st December 2017**

Notes	Unrestricted Funds £'000	* Restricted Funds		Other Restricted Funds £'000	2017 Total £'000	2016 Total £'000	
		Benefice Buildings & Pastoral £'000	Stipends Fund £'000				
<b>Fixed Assets</b>							
Tangible assets	18	4,578	78,085	4,958	660	88,281	86,722
Investment assets							
Glebe holding	19	-	-	37,135	-	37,135	31,729
Investments	20	2,828	4,604	10,689	714	18,835	17,293
		7,406	82,689	52,782	1,374	144,251	135,744
<b>Current Assets</b>							
Stock	21	-	-	-	34	34	28
Debtors	22	1,643	82	733	253	2,711	2,611
Pension scheme asset		62	-	-	-	62	-
Balances with Church Commissioners		-	(3)	-	-	(3)	8
Central Board of Finance Deposit Fund		196	297	-	80	573	535
Cash/(overdrawn balance) at bank		(2,854)	(2,383)	5,572	2,792	3,127	3,726
		(953)	(2,007)	6,305	3,159	6,504	6,908
<b>Creditors - Amounts falling due within one year</b>	24	479	56	14	1,500	2,049	1,998
<b>Net Current Assets</b>		(1,432)	(2,063)	6,291	1,659	4,455	4,910
<b>Total Assets Less current liabilities</b>		5,974	80,626	59,073	3,033	148,706	140,654
<b>Creditors - Amounts falling due after more than one year</b>	25	501	-	-	1,818	2,319	2,203
<b>Net Assets excluding pension scheme liability</b>		5,473	80,626	59,073	1,215	146,387	138,451
<b>Defined benefit pension scheme liability</b>	28	-	-	4,000	-	4,000	4,304
<b>Net assets after pensions liability</b>		5,473	80,626	55,073	1,215	142,387	134,147
Minority Interest		-	-	-	142	142	163
<b>Fund Balances</b>							
At 31st December 2017 (page 20)	27	5,473	80,626	55,073	1,357	142,529	134,310

Approved by the Executive Committee on 24th April 2018 and signed on its behalf by

Chairman

William E. Husselby OBE DL



Diocesan Secretary

Richard M. Butler MBE DL



**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 31st December 2017

	2017 £'000	2016 £'000
<b>Net cash outflow from operating activities</b>	<u>(1,599)</u>	<u>(968)</u>
<b>Cash flows from investing activities</b>		
Dividends, interest and rent from investments	1,396	1,344
Interest paid	(12)	(16)
Proceeds from the sale of tangible fixed assets	1,857	2,321
Purchase of tangible fixed assets	(3,201)	(3,558)
Proceeds from the sale of investments	1,386	2,727
Purchase of investments	(743)	(2,621)
<b>Net cash provided by investing activities</b>	<u>683</u>	<u>197</u>
<b>Cash flows from financing activities</b>		
Loans advanced/repaid by the board	65	(869)
New loans received	279	870
<b>Net cash provided by financing activities</b>	<u>344</u>	<u>1</u>
<b>Change in cash and cash equivalents in the reporting period</b>	(572)	(770)
Cash and cash equivalents at 1st January 2017	<u>4,269</u>	<u>5,039</u>
Cash and cash equivalents at 31st December 2017	<u><u>3,697</u></u>	<u><u>4,269</u></u>
<b>Reconciliation of net income to net cash flow from operating activities</b>		
<b>Net income</b>	902	796
Depreciation	111	104
Interest paid	12	16
Net (gain) on the sale of fixed assets	(330)	(632)
Dividends, interest and rent from investments	(1,396)	(1,344)
(Increase) in stock	(6)	(10)
(Increase)/decrease in debtors	(336)	453
Increase in creditors	51	206
FRS 102 Non-cash pension disclosures	(607)	(557)
<b>Net cash provided by/(used in) operating activities</b>	<u>(1,599)</u>	<u>(968)</u>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	3,127	3,726
Notice deposits (less than 3 months)	570	543
	<u>3,697</u>	<u>4,269</u>



## NORWICH DIOCESAN BOARD OF FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

#### 1. Accounting policies

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in e), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015), the Companies Act 2006 and applicable accounting standards (FRS102). The Board constitutes a Public benefit entity as defined by FRS102.

The principal accounting policies and estimation techniques are as follows.

##### a) Income

All income is included in the Statement of Financial Activities (SOFA) when the Board is legally entitled to it as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- i) **Parish Share** is recognised as income of the year in respect of which it is receivable, which includes amounts received in respect of the year up to the following 31 January.
- ii) **Rent** receivable is recognised as income in the period it is received. Glebe rents are collected by the Board and the income, net of related expenditure, is paid by instalments to the Church Commissioners in accordance with the Endowments and Glebe Measures 1976. The amounts received by the Church Commissioners are then credited to the Stipends Fund. Glebe rents are shown gross in the Statement of Financial Activities.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) **Parochial fees** are recognised as income of the year to which they relate, which include assigned fees received in respect of the year up to the following 31 January.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the Board's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.

##### b) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

- i) **Costs of raising funds** are constrained to costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.

## NORWICH DIOCESAN BOARD OF FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

#### 1. Accounting policies (continued)

- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and Church of England schools in the diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.**

##### ***The Church of England Funded Pension Scheme***

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

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

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

##### ***The Board's Defined Benefit Scheme***

The Board's pension scheme provides benefits for other full-time staff based on final pensionable pay. This is closed to new entrants. The assets of the scheme are held separately from those of the Board, being invested with Aviva. Defined benefit pension liabilities are measured using the projected unit credit method and discounted at the valuation rate of interest on a high quality corporate bond of equivalent term and currency to the liability. Under FRS 102 it is permissible to review and update the most recent actuarial valuation results, any net liability arising based on these valuations is the best estimate of the present value of the actual amounts to be paid out of the scheme, less the market value of the scheme assets.

The increase in the present value of the liabilities of the Board's defined benefit pension scheme expected to arise from employee service in the period is charged to the Statement of Financial Activities. The net interest on the scheme liabilities is also charged to the Statement of Financial Activities. Actuarial gains and losses are recognised in the Statement of Financial Activities.

## NORWICH DIOCESAN BOARD OF FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

#### 1. Accounting policies (continued)

##### v) Pension contributions (continued)

###### **Group Personal Pension Plan**

A group personal pension scheme was set up on 1 January 2002 and the costs of providing this are charged to the Statement of Financial Activities as they become payable.

#### c) Tangible fixed assets and depreciation

##### **Freehold properties**

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 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 Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

##### **Investment properties**

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

##### **Parsonage houses**

The Board has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Executive Committee members therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their pre-existing balance sheet revaluation as deemed cost. No further revaluations will be performed on these assets.

##### **Properties subject to value linked loans**

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are carried at their pre-existing balance sheet revaluation as deemed cost (see paragraph above). Each year end the loan is carried at an index linked current valuation basis.

#### d) Other tangible fixed assets

All capital expenditure over £1,000 is capitalised and depreciated, apart from computer software which is written off in the year of purchase. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:-

Office and other equipment	25% / 33.33% straight line
Motor vehicles	25% reducing balance

## NORWICH DIOCESAN BOARD OF FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

#### 1. Accounting policies (continued)

##### e) Other accounting policies

##### i) Fixed asset investments

The Glebe holding, which is considered to be investment property, was revalued by FPD Savills, Property Consultants, at its estimated open market value as at 31 December 2017. This valuation, which represents an average of £6,388 per acre, is updated every five years. Details of the cost of the majority of the Glebe property is not available. Listed investments are included at their market value. Unlisted investments are included at valuations provided by the Fund Managers concerned. Subsidiary companies are included at fair value and any changes are recognised in the SOFA.

##### ii) Diocesan Stipends

All stipends are paid by the Church Commissioners with funds mainly provided by the Diocese. Allocations, guaranteed annuities and grants from the Church Commissioners, net Glebe rents and other attributable income received by the Church Commissioners are credited to the Stipends Fund.

##### iii) Diocesan Parsonages Fund

All transactions relating to the Diocesan Parsonages Fund are included under the appropriate headings in the Capital and General Fund column of the Board's Statement of Financial Activities.

##### iv) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### v) Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

##### vi) Cash at Bank

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

##### vii) The Diocese of Norwich Consolidated Education Endowments

The Diocese contributes towards the repairs and capital expenditure on schools and the costs are shown net of grants receivable. This grant system has now ceased for new projects and has been replaced by the Voluntary Aided Schools pooling arrangement. Grants shown in the Statement of Financial Activities relate to existing projects commenced under Consolidated Education Endowments.

##### viii) Financial Instruments

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

## NORWICH DIOCESAN BOARD OF FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

#### 1. Accounting policies (continued)

##### e) Other accounting policies (continued)

##### ix) Redundancies

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the charity are accounted for on an accruals basis and included within employee benefits.

##### f) Fund balances

Fund Balances are split between unrestricted (general and designated) and restricted funds.

- **Unrestricted funds** are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Executive Committee. There are two types of unrestricted funds:
  - **General funds** which the Board intends to use for the general purposes and
  - **Designated funds** set aside out of unrestricted funds by the Board for a purpose specified by the Executive Committee
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

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 Report of the Executive Committee.

**Endowment funds** are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the Parsonage House and Schools endowment funds administered by the Board, there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds such as the Stipends Capital Fund, where there is no provision for expenditure of capital are classified as permanent endowment.

##### g) Consolidated accounts

For the purposes of the Consolidated Statement of Financial Activities and Balance Sheet which appear alongside those of the Board itself, the Board's subsidiaries and quasi subsidiaries are considered to be Spire Support Services Ltd, WiSpire Ltd, Norwich Glebe Property Ltd, The Diocese of Norwich Consolidated Education Endowments (formerly Schemes under Section 554 of the Education Act 1996) and certain trusts over which the Board has absolute discretionary control and of which it is a beneficiary. The results of the subsidiaries and quasi subsidiaries are consolidated on a line by line basis within 'other restricted funds'.

##### h) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st December 2017

	* Restricted Funds *				Total Funds 2017 £'000	Total Funds 2016 £'000
	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	Other Restricted Funds £'000		
<b>2. Income from Donations</b>						
<b>Parish contributions</b>						
Parish share						
Current year's allocation	7,684	-	-	-	7,684	7,559
Shortfall in contributions	(586)	-	-	-	(586)	(556)
Total income	<u>7,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,098</u>	<u>7,003</u>
Total parish share receipts for the current year represent 92.4% of the allocation (2016: 92.6%)						
<b>Archbishop's Council</b>						
Selective allocation	-	-	1,501	-	1,501	1,540
Resourcing Ministerial Education	-	-	-	12	12	-
Parish mission fund	-	-	-	-	-	96
Guaranteed annuities	-	-	4	-	4	3
	<u>-</u>	<u>-</u>	<u>1,505</u>	<u>12</u>	<u>1,517</u>	<u>1,639</u>
<b>Other donations</b>						
All Churches Trust Grant	178	-	-	-	178	178
Anne French Memorial Trust	30	-	-	-	30	30
Keswick Hall Charity	72	-	-	-	72	77
Roof Alarm Appeal	-	-	-	101	101	-
Mission Strategy	-	-	-	19	19	-
Other donations	61	-	-	-	61	61
	<u>341</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>461</u>	<u>346</u>
<b>3. Income from Charitable activities</b>						
Statutory fees and chaplaincy income	718	-	3	-	721	762
Other Board income	125	-	-	15	140	180
	<u>843</u>	<u>-</u>	<u>3</u>	<u>15</u>	<u>861</u>	<u>942</u>
<b>4. Income from Other activities</b>						
Rental income from parsonages and closed schools	327	1	-	17	345	323
<b>Trading income</b>						
Property support services	-	-	-	270	270	263
Provision of wireless broadband	-	-	-	607	607	456
Rental income from commercial property	-	-	-	50	50	36
Income from recharged support services	55	-	-	-	55	43
	<u>382</u>	<u>1</u>	<u>-</u>	<u>944</u>	<u>1,327</u>	<u>1,121</u>
<b>5. Income from Investments</b>						
Dividends receivable	77	149	355	27	608	610
Interest receivable	2	-	13	-	15	12
Glebe rents receivable (note 16)	-	-	773	-	773	722
	<u>79</u>	<u>149</u>	<u>1,141</u>	<u>27</u>	<u>1,396</u>	<u>1,344</u>
<b>6. Other income</b>						
Gains on disposal of property	-	249	82	1	332	632
	<u>-</u>	<u>249</u>	<u>82</u>	<u>1</u>	<u>332</u>	<u>632</u>
<b>Total income</b>	<u>8,743</u>	<u>399</u>	<u>2,731</u>	<u>1,119</u>	<u>12,992</u>	<u>13,027</u>

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st December 2017

	* <b>Restricted Funds</b> *				<b>Total Funds</b>	<i>Total Funds</i>
	Unrestricted Funds	Benefice Buildings & Pastoral	Stipends Fund	Other Restricted Funds		
	£'000	£'000	£'000	£'000	<b>2017</b>	2016
					<b>£'000</b>	£'000
<b>7. Expenditure on raising funds</b>						
<b><i>Investment management costs</i></b>						
Glebe management charges	-	-	114	-	<b>114</b>	110
Asset management expenses	5	-	-	-	<b>5</b>	73
Provision against loan	183	-	-	-	<b>183</b>	150
<b><i>Trading expenses</i></b>						
Property support services	-	-	-	183	<b>183</b>	202
Provision of wireless broadband	-	-	-	680	<b>680</b>	1,045
Commercial property	-	-	-	2	<b>2</b>	17
	<u>188</u>	<u>-</u>	<u>114</u>	<u>865</u>	<u><b>1,167</b></u>	<u>1,597</u>
<b>8. Expenditure on charitable activities</b>						
<b><i>Contributions to Archbishop's Council</i></b>						
Training for ministry	392	-	-	-	<b>392</b>	341
National Church responsibilities	291	-	-	-	<b>291</b>	276
Grants and provisions	2	-	-	-	<b>2</b>	14
	<u>685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>685</b></u>	<u>631</u>
<b><i>Expenditure on resourcing ministry and mission</i></b>						
Parish ministry:						
Stipends and national insurance	2,114	-	2,489	-	<b>4,603</b>	4,616
Pension contributions	1,556	-	(501)	-	<b>1,055</b>	1,150
Housing costs	1,369	14	-	-	<b>1,383</b>	1,276
Removal, resettlement and other grants	164	-	-	-	<b>164</b>	173
Other expenses	206	-	-	-	<b>206</b>	164
	<u>5,409</u>	<u>14</u>	<u>1,988</u>	<u>-</u>	<u><b>7,411</b></u>	<u>7,379</u>
Support for parish ministry	2,200	18	-	14	<b>2,232</b>	2,148
Resourcing Ministerial Education	-	-	-	12	<b>12</b>	-
Roof Alarm Appeal	-	-	-	101	<b>101</b>	-
Mission Strategy	-	-	-	11	<b>11</b>	-
	<u>2,200</u>	<u>18</u>	<u>-</u>	<u>138</u>	<u><b>2,356</b></u>	<u>2,148</u>
<b><i>Expenditure on education</i></b>						
Support for church schools	417	-	-	-	<b>417</b>	408
Grants	-	-	-	54	<b>54</b>	68
	<u>417</u>	<u>-</u>	<u>-</u>	<u>54</u>	<u><b>471</b></u>	<u>476</u>
Total expenditure on charitable activities	<u>8,711</u>	<u>32</u>	<u>1,988</u>	<u>192</u>	<u><b>10,923</b></u>	<u>10,634</u>
<b>Total expenditure</b>	<u>8,899</u>	<u>32</u>	<u>2,102</u>	<u>1,057</u>	<u><b>12,090</b></u>	<u>12,231</u>
<b>9. Analysis of expenditure including allocation of support costs</b>						
		Activities undertaken directly	Grant funding of activities	Support costs	<b>Total</b>	<i>Total</i>
		£'000	£'000	£'000	<b>2017</b>	2016
					<b>£'000</b>	£'000
Raising funds		1,167	-	-	<b>1,167</b>	1,597
Contributions to Archbishop's Council		685	-	-	<b>685</b>	631
Resourcing Ministry and Mission		8,166	200	1,401	<b>9,767</b>	9,527
Education, Youth Children and Families		417	54	-	<b>471</b>	476
		<u>10,435</u>	<u>254</u>	<u>1,401</u>	<u><b>12,090</b></u>	<u>12,231</u>

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st December 2017

	* Restricted Funds *			Total Funds 2017 £'000
	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	
<b>10. Analysis of support costs</b>				
Central administration	1,254	-	-	1,254
Governance:				
Amounts paid to auditor:				
External audit	23	-	-	23
Accountancy	5	-	-	5
Registrar, Chancellor and Human Resources	105	-	-	105
Synodical costs	14	-	-	14
	1,401	-	-	1,401

	Individuals		Institutions		Total 2017 £'000	Total 2016 £'000
	£'000	£'000	£'000	£'000		
<b>11. Analysis of grants made</b>						
Included within:						
Contributions to the Archbishop's Council	-	592			592	593
Education and training grants	93	-			93	38
Resourcing ministry and mission:						
Resettlement and first incumbency grants	164	-			164	173
Support for parish ministry						
Roof Alarm Appeal			101		101	-
Church quinquennial inspections	-	73			73	83
PCC Faculty fees	-	33			33	35
Repair and reordering of redundant churches	-	6			6	10
Horstead Centre grants	-	-			-	2
PCC grant	-	10			10	-
Sharing good news grants	-	10			10	9
Continuing Ministerial Development	8	-			8	10
Good Work Chaplaincy grants	-	8			8	8
Norfolk and Waveney Churches Together	-	2			2	(4)
Education						
Education, Youth Children and Families	-	-			-	6
CEE grants to schools and academies	-	54			54	68
	265	889			1,154	1,031

	2017		2016	
	£'000		£'000	
<b>12. Staff costs</b>				
Staff costs were as follows:				
Gross salaries	1,180		1,086	
Redundancy costs	-		61	
Social security costs	112		106	
Pension contributions	174		155	
Lump sum contributions	125		120	
Health insurance contributions	20		15	
	1,611		1,543	



**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st December 2017

**12. Staff costs (continued)**

	2017	2016
The average head count of total employees:	<u>46</u>	<u>47</u>
The average number of employees, based on full-time equivalents were as follows:		
Resourcing ministry		
Support for parish ministry	24	22
Safeguarding	2	1
Counsellor	1	1
Property	5	4
Parochial lay staff	2	4
Education, youth, families and children	6	8
	<u>40</u>	<u>40</u>

The number of staff whose emoluments (including benefits in kind but excluding pension contributions) exceeded £60,000 were:

	2017	2016
£60,000 - £70,000	1	1
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-

Pension contributions amounting to £20k were made in the year for the provision of money purchase benefits for the above employees.

**Remuneration of key management personnel**

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the members of the Executive committee, for planning, directing and controlling the activities of the diocese. During 2017 they were:

The Diocesan Secretary and Chief Executive, the Director of Property Services, the Director of Education, the Director of Finance and the Director of Communications. Remuneration (including employers National Insurance, pension costs and benefits-in-kind) and expenses for these employees amounted to £435k, (2016: £434.8K inc redundancy costs).

**Executive Committee Remuneration**

No remuneration has been paid to any member of the Executive Committee in their capacity as Executive Committee members (2016: £NIL). Five members were reimbursed for travel and incidental costs incurred in undertaking their Executive Committee duties totalling £550 (2016: Eight members £1,809).

During the year the Board made contributions to the Church Commissioners towards the stipends, national insurance and pension contributions of the licensed clergy who are Executive Committee members and provided houses, including the payment of council tax and maintenance costs, as part of normal clergy remuneration.

The following table gives details of the Executive Committee members who were in receipt of a stipend and/or housing provided by the Norwich Diocesan Board of Finance Limited during the year:

	Stipend	Housing
The Ven. Steven J. Betts	Yes	Yes
The Revd. Jeremy G. Sykes	Yes	Yes
The Revd. Canon Sally Theakston	Yes	Yes
The Revd. Canon Simon Stokes	Yes	Yes

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st December 2017

**12. Staff costs (continued)**

**Stipendiary Clergy (continued)**

The Board is responsible for funding via the Church Commissioners the stipend of licenced stipendiary clergy in the diocese, other than bishops and cathedral staff. The Board is also responsible for the provision of housing for stipendiary clergy in the diocese including the suffragan bishops but excluding the diocesan bishop and cathedral staff.

	2017	2016
<b>Parochial Clergy:</b> The average number of clergy holding parochial or archidiaconal posts in the diocese was:	<u>167</u>	<u>169</u>
	£'000	£'000
At a cost before recharges of:		
Stipends	4,268	4,311
National Insurance contributions	353	328
Pension contributions	1,617	1,645
	<u>6,238</u>	<u>6,284</u>

The stipends of the Diocesan Bishop and two Suffragan Bishops are funded by the Church Commissioners and are in the range of £35,500 to £43,870. The annual rate of stipend, funded by the Board, paid to Archdeacons in 2017 was in the range of £33,000 to £34,700 and other clergy who were members of the Executive Committee were paid in the range £24,000 to £25,440. The estimated value to the occupant, gross of income tax and national insurance, of church provided housing in 2017 is £10,384.

**13. Net gains/(losses) on investments**

	2017	2016
	£'000	£'000
<b>Investments (note 20)</b>		
Realised	18	238
Unrealised - listed	1,492	1,230
- unlisted	54	(47)
<b>Glebe Holding (note 19)</b>		
Realised	709	95
Unrealised	5,318	-
<b>Net gains</b>	<u>7,591</u>	<u>1,516</u>

**14. Net income/(expenditure)**

This is after charging:

	2017	2016
	£'000	£'000
Depreciation	<u>111</u>	<u>104</u>

**15. Analysis of transfers between funds**

	Capital and General £'000	Designated Funds £'000	Restricted Funds £'000	Total 2017 £'000
Asset Management costs	<u>(5)</u>	<u>5</u>	<u>-</u>	<u>-</u>
	<u>(5)</u>	<u>5</u>	<u>-</u>	<u>-</u>

Asset management costs are funds designated from unrestricted reserves to manage the extensive property portfolio in order to improve the quality of the existing housing stock and make best use of assets to generate additional revenue.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st December 2017

**16. Endowments and Glebe Measure, 1976**

	2017	2016
<b>Income and Expenditure Account</b>	£'000	£'000
<b>Income (note 5)</b>		
Glebe rents	773	722
<b>Expenditure (note 7)</b>		
Repairs	4	2
Surveyor's and Agent's fees	51	50
Legal and other administration charges	59	58
	<u>114</u>	<u>110</u>
Surplus for the year	<u>659</u>	<u>612</u>

**17. Taxation**

The Board has no liability to corporation tax or capital gains tax.

**18. Tangible assets**

	* Subject to value linked loans	Freehold Property Glebe	* Benefice and Pastoral	Commercial Property	Other freehold property	Office and other equipment	<b>2017 Consolidated Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At cost or valuation</b>							
At 1st January 2017	1,077	5,670	75,738	669	3,336	467	86,957
Additions	-	-	3,165	3	-	33	3,201
Disposals	-	(712)	(819)	-	-	-	(1,531)
Transfer	(354)	-	-	-	354	-	-
<b>At 31st December 2017</b>	<u>723</u>	<u>4,958</u>	<u>78,084</u>	<u>672</u>	<u>3,690</u>	<u>500</u>	<u>88,627</u>
<b>Accumulated depreciation</b>							
At 1st January 2017	-	-	-	-	-	235	235
Charge for the year	-	-	-	-	-	111	111
<b>At 31st December 2017</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346</u>	<u>346</u>
<b>Net book value</b>							
<b>At 31st December 2017</b>	<u>723</u>	<u>4,958</u>	<u>78,084</u>	<u>672</u>	<u>3,690</u>	<u>154</u>	<u>88,281</u>
At 31st December 2016	<u>1,077</u>	<u>5,670</u>	<u>75,738</u>	<u>669</u>	<u>3,336</u>	<u>232</u>	<u>86,722</u>

	2017 £'000	2016 £'000
The net book amount comprises:		
Assets used, or intended to be used, predominantly for direct charitable purposes	86,331	84,696
Assets used for administration and other purposes	<u>1,950</u>	<u>2,026</u>
	<u>88,281</u>	<u>86,722</u>

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31st December 2017**

**18. Tangible Fixed Assets - continued**

Freehold property subject to value linked loans comprises freeholds where loans have been received from Church Commissioners or Parochial Church Councils towards the capital expenditure and, as part of the agreement, all or part of the sale proceeds will be repayable on final disposal. These properties are carried at their pre-existing balance sheet revaluation as deemed cost. Each year end the loan is carried at an index linked current valuation basis (note 26).

	2017	2016
	£'000	£'000
Glebe Property (mainly residential houses) comprises:		
Houses at valuation as at 1st January 2017	5,670	5,670
Disposals	<u>(712)</u>	<u>-</u>
Valuation as at 31 December 2017	<u>4,958</u>	<u>5,670</u>
Benefice and Pastoral Property comprises -		
Houses -		
At valuation as at 1st January 2017	75,738	74,368
Subsequent additions at cost	3,165	2,799
Disposals	<u>(819)</u>	<u>(1,429)</u>
Valuation as at 31 December 2017	<u>78,084</u>	<u>75,738</u>

The Board has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Executive Committee members therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their pre-existing balance sheet revaluation as deemed cost. No further revaluations will be performed on these assets.

Property held by the Diocesan Consolidated Education Endowments, comprising school land and buildings including teachers' houses, some of which are let, is vested in the Board. It is not considered appropriate to include these as assets in the balance sheet because they are in the main held in the very long term and their disposal and the right to any proceeds of sale are subject to the agreement of the Local Education Authority.

**19. Glebe Land**

	£'000
Company and consolidated	
Valuation at 1st January 2017	31,729
Additions	138
Disposal proceeds	(759)
Profit on disposal	709
Revaluation adjustment	5,318
Valuation at 31st December 2017	<u>37,135</u>

The Glebe land, which is considered to be investment property, was revalued by FPD Savills, Property Consultants, at its estimated open market value as at 31st December 2017. This valuation, which represents an average £6,388 per acre, will be updated every five years. Details of the historic cost of the majority of the Glebe holding is not available.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31st December 2017**

**20. Fixed asset investments**

	At 1st January 2017 £'000	Additions £'000	Disposal proceeds £'000	Profits on Disposal £'000	Increase/(decrease) in Market value £'000	At 31st December 2017 £'000
<b>Unrestricted Funds</b>						
Listed investments	2,373	-	(117)	-	273	2,529
Unlisted investments	144	4	-	-	-	148
Cash	34	-	117	-	-	151
	<b>2,551</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>273</b>	<b>2,828</b>
<b>Restricted Funds</b>						
Listed investments	13,081	601	(730)	18	1,219	14,189
Unlisted investments	1,291	-	-	-	54	1,345
Cash	370	-	103	-	-	473
	<b>14,742</b>	<b>601</b>	<b>(627)</b>	<b>18</b>	<b>1,273</b>	<b>16,007</b>
<b>Total</b>	<b>17,293</b>	<b>605</b>	<b>(627)</b>	<b>18</b>	<b>1,546</b>	<b>18,835</b>

	2017 £'000	2016 £'000
The unlisted securities comprise:-		
Shares in the Central Board of Finance - Investment Fund	33	31
Property Fund (valued as per the Central Board of Finance)	1,235	1,190
COIF Charities Investment Fund Income shares (valued as per COIF Charity Funds)	78	71
Investment in Eastern Landowners Consortium	90	90
Investment in WiSpire Limited	54	50
Investment in CMCU shares	3	3
	<b>1,493</b>	<b>1,435</b>

**The historical cost of the above assets is as follows:**

Listed securities	11,837	12,059
Unlisted securities	1,187	1,183
Cash	624	404
	<b>13,648</b>	<b>13,646</b>

The following shareholdings, at valuation, form a material part of the investment portfolio (i.e. greater than 5% of the total of the Board's consolidated investments).

	2017 £'000	2016 £'000
M & G Charifund income units	1,732	1,619
Central Board of Finance Property Fund	1,235	1,189
Sarasin Global Dividend (Sterling hedged)	1,081	954
Sarasin Global Dividend (I Inc)	1,055	976
	<b>5,103</b>	<b>4,738</b>

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31st December 2017**

<b>21. Stock</b>	2017	2016
	£'000	£'000
Stock and Work-in-Progress	<u>34</u>	<u>28</u>
<b>22. Debtors</b>	2017	2016
	£'000	£'000
<b>Due within one year</b>		
Parish share	314	250
Assigned fees	113	112
Prepayments and accrued income	214	208
Amounts due from Subsidiary undertakings	295	225
Other debtors	644	384
Loans (note 23)	<u>2</u>	<u>40</u>
	1,582	1,219
<b>Due after more than one year</b>		
Deferred costs on development project	585	650
Loans (note 23)	<u>544</u>	<u>742</u>
	2,711	2,611
	<u><u>2,711</u></u>	<u><u>2,611</u></u>
<b>23. Loans Receivable</b>	2017	2016
	£'000	£'000
Amounts due from parishes	71	69
Amounts due from Subsidiary undertakings	475	713
CEE - due from Schools	-	-
	<u>546</u>	<u>782</u>
Amounts falling due after more than one year	<u>544</u>	<u>742</u>
<b>24. Creditors - amounts falling due within one year</b>	2017	2016
	£'000	£'000
Tax and social security costs	74	45
Other creditors	822	1,467
Accruals and deferred income (note 35)	1,153	486
	<u>2,049</u>	<u>1,998</u>
<b>25. Creditors - amounts falling due after more than one year</b>	2017	2016
	£'000	£'000
Loans due by the Board (note 26)	<u>2,319</u>	<u>2,203</u>
<b>26. Loans due by the Board</b>	2017	2016
	£'000	£'000
Church Commissioners Property Loans - Value linked loans	501	664
WiSpire Ltd Hire Purchase agreement - repayable at 0% interest over 46 months	4	5
Trade creditors	-	-
Amount owed to group undertakings	1,243	963
Amounts owed to other participating interests	571	571
	<u>2,319</u>	<u>2,203</u>
Amounts falling due after more than one year	<u>2,319</u>	<u>2,203</u>
Interest payable on loans due by the Board	<u>12</u>	<u>16</u>

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31st December 2017**

**27. Summary of fund movements**

	Balances at 1st January 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Minority Interest £'000	Balances at 31st December 2017 £'000
<b>Unrestricted funds</b>							
Capital and General	4,324	8,743	(8,892)	(5)	401	-	4,571
<b>Designated funds:</b>							
Aided Church Schools							
Buildings Reserve	178	-	-	-	-	-	178
Diocesan Parsonages Fund	85	-	-	-	-	-	85
Jane Bailey Bequest	641	-	(2)	-	-	-	639
Asset Management Fund	-	-	(5)	5	-	-	-
	904	-	(7)	5	-	-	902
Total unrestricted funds	<b>5,228</b>	<b>8,743</b>	<b>(8,899)</b>	<b>-</b>	<b>401</b>	<b>-</b>	<b>5,473</b>
<b>Restricted funds</b>							
Stipends Fund	47,955	2,731	(2,102)	-	6,489	-	55,073
Benefice Buildings and Pastoral Fund	79,823	400	(32)	-	435	-	80,626
<b>Other Restricted Funds</b>							
Margaret Young Fund	242	-	-	-	-	-	242
Cormorants	2	9	(7)	-	-	-	4
Bishops' Fund for Readers in Training	5	1	-	-	-	-	6
Burning Bush Barn	10	5	(6)	-	-	-	9
Roof Alarm Appeal	-	101	(101)	-	-	-	-
Mission Strategy	-	19	(11)	-	-	-	8
Resourcing Ministerial Education	-	12	(12)	-	-	-	-
<b>Subsidiaries and Quasi subsidiaries</b>							
Trading Subsidiaries: (see note 33)							
Non-charitable trading funds	(915)	928	(866)	-	-	(43)	(896)
Consolidated Education Endowments	1,864	42	(54)	-	33	-	1,885
Trusts	96	1	-	-	2	-	99
Total other restricted funds	1,304	1,118	(1,057)	-	35	(43)	1,357
Total restricted funds	<b>129,082</b>	<b>4,249</b>	<b>(3,191)</b>	<b>-</b>	<b>6,959</b>	<b>(43)</b>	<b>137,056</b>
<b>Total funds</b>	<b>134,310</b>	<b>12,992</b>	<b>(12,090)</b>	<b>-</b>	<b>7,360</b>	<b>(43)</b>	<b>142,529</b>

**Unrestricted funds**

The Board's Capital and General Funds includes £990,000 relating to capital (2016: £990,000). The General Reserve represents those assets held by the Board for carrying out its general activities. It provides the assets and liquidity for the Board to carry out its objectives, including statutory compliance, administration of funds and some housing.

**Designated funds**

The Aided Church Schools Buildings Reserve represents designated funds set aside for the maintenance and repair of Church schools.

The Diocesan Parsonages Fund represents Parsonage Building Funds held by the Church Commissioners, which may be applied to either the Benefice Buildings and Pastoral or the Stipends Capital.

The Jane Bailey Bequest was established by the will of the late Miss Sybella Jane Bailey, who died on 16th November 1993. The Board became entitled to this by a Deed of Appointment, dated 14th November 1995 and the assets thereof, consisting of Cavick House and grounds, together with three adjacent dwellings near Wymondham, were vested in the Board with effect from 30th August 1996. Following agreement with the executors of the estate, the property was sold in December 1998. The resulting funds have been used for the provision of archdeacons housing and related housing costs.

The Asset Management Fund relates to funds set aside to meet costs to be incurred by the Asset Management Committee in their work in connection with the return on land and housing assets.

**Restricted funds**

The Stipends Fund derives mainly from the historic Glebe property of the Diocese and is restricted as to its use by Section 35 of the Endowments and Glebe Measure, 1976. It is regarded as an expendable endowment fund.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31st December 2017**

**27. Summary of fund movements (continued)**

**Restricted funds - continued**

The Margaret Young Fund was established by the will of the late Margaret Caroline Young. The Board became entitled to the property Babur Hill Cottage, Bawburgh, on the death of the life tenant on 26 July 2008, and the transfer of ownership took place during 2009. This was subsequently sold in October 2010. The fund is to be used towards the provision of housing for retired clergy.

Cormorants was established to run Christian sailing holidays for young people. Income is derived from fees for specific sailing holidays and donations. The income is restricted for the specific purpose of providing sailing holidays.

The Bishops' Fund for Readers in Training was set up by the Archdeacon of Lynn from a collection in Norwich Cathedral, to provide financial assistance to students.

The Burning Bush Barn is contemplative art space set in the rural village of Rockland St Mary 6 miles south of Norwich City centre. Open to all who wish to develop spiritual growth through creative visual art.

To combat the threat of church lead thefts the Bishop of Norwich, the Police and Crime Commissioner for Norfolk, the Norfolk Churches Trust, Allchurches Trust and the Round Tower Churches Society have been working together to find a long-term solution and have created The Roof Alarm Scheme. The appeal raises funds towards the cost of installing alarms on church roofs. Income is released to match expenditure.

Mission Strategy 2021 is an extension of 'Committed to Growth', building on what is already being done and continuing to look to grow in discipleship, service and numbers. It identifies four 'streams' of work - Listen, Celebrate, Imagine and Empower and has been resourced by restructuring grants from the Archbishop's Council and local Trust funds. Income is released to match expenditure.

Resourcing Ministerial Education is a framework for paying to support Ordinands in initial training which supports diocesan and national ministry strategies, incentivises sponsorship of younger candidates and offers clear links between training choices and financial implications. Block grants are restricted and income is released to match expenditure.

The Benefice Buildings and Pastoral Fund is represented by parsonage and other houses and assets derived from the sale of such houses or churches which have become redundant. The use of pastoral monies is restricted by Section 78 of the Pastoral Measure, 1983. However, the Bishop of Norwich has given the Diocesan Secretary sanction for the use of these funds at his discretion for ministry and mission purposes.

**28. Pension costs**

**The Church of England Funded Pension Scheme**

The Norwich Diocesan Board of Finance participates in the Church of England Funded Pension Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the employer and other participating employers.

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

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

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

An investment strategy of:

- for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030 and a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;

Investment returns equivalent to 2.6% pa on gilts and 4.6% pa on return-seeking assets;

RPI inflation of 3.2% pa (and pension increases consistent with this);

Increase in pensionable stipends 3.2% pa; and

Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections, with a long term annual rate of improvement of 1.5%.



**NORWICH DIOCESAN BOARD OF FINANCE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31st December 2017**

**28. Pension costs (continued)**

**The Church of England Funded Pension Scheme (continued)**

Following the 31 December 2015 valuation, a recovery plan was put into place until 31 December 2025 and the deficit repair contributions payable (as a percentage of pensionable stipends) were set as follows:

<b>% of pensionable stipends</b>	1 January 2016 to 31 December 2017	1 January 2018 to 31 December 2025
Deficit repair contributions	14.1%	11.9%

As at December 2015, the deficit repair contributions payable under the recovery plan in force were 14.1% of pensionable stipends until December 2025. As at December 2016 and December 2017 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

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

	2017 £'000	2016 £'000
Balance sheet liability at 1 January	4,142	5,228
Deficit contribution paid	(559)	(562)
Interest cost (recognised in Statement of Financial Activities)	58	124
Remaining change to the balance sheet liability* (recognised in SoFA)	359	(648)
Balance sheet liability at 31 December	<u>4,000</u>	<u>4,142</u>

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

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

<b>% of pensionable stipends</b>	December 2017	December 2016	December 2015
Discount rate	1.4% pa	1.5% pa	2.5% pa
Price inflation	3.0% pa	3.1% pa	2.4% pa
Increase to pensionable payroll	1.5% pa	1.6% pa	0.9% pa

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

**The Board's Pension Scheme**

Norwich Diocesan Board of Finance Limited operates a final salary defined benefit pension plan in the UK, the Norwich Diocesan Board of Finance Limited Pension Scheme. A comprehensive actuarial valuation of the scheme was carried out as at 1 April 2016, which has been updated to 31 December 2016 by a qualified independent actuary.

Information about the Scheme is set out below consistent with FRS 102.

**Employee benefit obligations - amounts recognised in the balance sheet:**

	2017 £'000	2016 £'000
Present value of funded obligations	2,204	2,130
Fair value of plan assets	<u>2,266</u>	<u>1,968</u>
Net defined benefit asset/(liability)	<u>62</u>	<u>(162)</u>

The pension plan assets do not include property occupied by the sponsoring employer.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31st December 2017**

**28. Pension costs (continued)**

**The Board's Pension Scheme (continued)**

The scheme assets include insurance policies that exactly match the amount and timing of the benefits payable under the Scheme to those current pensioners whose pensions are fully secured in immediate annuity policies. Since the fair value of these insurance policies is deemed to be the present value of the related obligations, both the asset and corresponding liability have been ignored in the disclosures.

**The amounts recognised in the Statement of Financial Activities are as follows:**

	For year to 31 December 2017 £'000	<i>For year to 31 December 2016 £'000</i>
Current service cost	18	14
Interest expense	57	65
Interest income	<u>(54)</u>	<u>(74)</u>
Total cost recognised in Statement of Financial Activities	<u>21</u>	<u>5</u>
Actual return on plan assets	<u>221</u>	<u>65</u>

Administration expenses totalling approximately £2,000 were paid from Scheme assets during the year to 31 December 2017 (approximately £1,000 for the year to 31 December 2016).

**The amounts taken to other comprehensive income are as follows:**

	For year to 31 December 2017 £'000	<i>For year to 31 December 2016 £'000</i>
Return on Scheme assets, excluding amounts included in Interest expense/income	167	(9)
Remeasurement gains/(losses) on the defined benefit obligation - experience	(2)	19
Remeasurement gains/(losses) on the defined benefit obligation - changes in assumptions	<u>(29)</u>	<u>(457)</u>
Remeasurement gains/(losses) recognised	<u>136</u>	<u>(447)</u>

**Changes in the present value of the defined benefit obligation are as follows:**

	For year to 31 December 2017 £'000
Opening defined benefit obligation	2,130
Current service cost	18
Interest expense	57
Actuarial losses	31
Benefits paid	<u>(32)</u>
Closing defined benefit obligation	<u>2,204</u>

FRS 102 states that the reconciliation of changes in the present value of the defined benefit obligation need not be presented for prior periods.

The projected unit credit valuation method has been used to arrive at the above service cost. The use of this method is prescribed in FRS 102. To produce a stable future contribution rate this valuation method assumes that the average age of the scheme membership will remain broadly constant in future due to a flow of new entrants to the scheme. However, as the scheme is closed to new members this will not be the case and the costs of benefits accruing, as a percentage of pensionable salaries, will be expected to increase over time.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31st December 2017**

**28. Pension costs (continued)**

**The Board's Pension Scheme (continued)**

**Changes in the fair value of plan assets are as follows:**

	For year to 31 December 2017 £'000
Opening fair value of plan assets	1,968
Interest income	54
Return on Scheme assets, excluding amounts included in Interest expense/income	167
Contributions by employer	111
Administration fee paid from Scheme assets	(2)
Benefits paid	<u>(32)</u>
Closing fair value of plan assets	<u>2,266</u>

FRS 102 states that the reconciliation of changes in the fair value of plan assets need not be presented for prior periods.

**The major categories of plan assets as a percentage of total plan assets are as follows:**

	2017 % total plan assets	2016 % total plan assets
Unitised with profits policy	100%	100%

**Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):**

<b>a) Financial assumptions</b>	2017	2016
Discount rate	2.5% pa	2.7% pa
RPI inflation assumption	3.3% pa	3.4% pa
Future salary increases	3.1% pa	3.2% pa
Pension revaluation in deferment (CPI - maximum 2.5%)	2.5% pa	2.5% pa
Pension increases in payment (RPI - maximum 5%) (CPI - maximum 2.5%)	3.3% pa 2.5% pa	3.4% pa 2.5% pa
Proportion of employees opting for early retirement	Nil	Nil
<b>b) Demographic assumptions</b>	2017	2016
Assumed life expectancy in years, on retirement at 65:		
Retiring today		
Males	22.7	22.8
Females	24.9	25.2
Retiring in 20 years		
Males	24.1	24.1
Females	26.3	26.6

Pre retirement mortality rates: The following mortality rates represent the probability of a person with the following exact ages dying within one year.

Age	Males	Females
30	0.0010	0.0006
40	0.0020	0.0014
50	0.0038	0.0023
60	0.0054	0.0036

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31st December 2017**

**29. Redundant Churches**

The Board was responsible for the care and maintenance of 3 redundant churches during the year (2016: 3). The cost to the Board was £5,540 (2016: £9,696).

No value has been attributed to these churches on the grounds that it is not material having regard to the liability for repair.

**30. Voluntary Aided Schools pooling arrangement**

In April 2006 the DFE made voluntary aided school annual devolved formula capital grants available to schools in advance of project spend. A significant number of Diocesan education and finance staff are involved in administering the projects and use of the funds received.

A summary of the transactions between 1st January 2017 and 31st December 2017 is detailed below:

	2017 £'000	2016 £'000
Cash held at 1st January 2017	406	471
Grants received from DFE	211	211
Payments on behalf of Schools	(258)	(276)
Cash held at 31st December 2017	<u>359</u>	<u>406</u>

These grants belong to the individual schools in the pooling arrangement and are not included in the consolidated accounts of Norwich Diocesan Board of Finance Limited.

**31. Related party transactions**

Transactions with the Ministry division and the Board of Education are included with the Unrestricted Funds in the Statement of Financial Activities. Consolidated Education Endowments is included as a Restricted Fund in the Statement of Financial Activities.

Norwich Diocesan Board of Finance Ltd is Managing or Custodian Trustee for approximately 1,800 Trusts. Where Norwich Diocesan Board of Finance Ltd is Managing Trustee, these trusts are included as a quasi subsidiary in the Statement of Financial Activities.

The Board co-operates closely with The Horstead Centre. The Board leases the Horstead Conference Centre to the Horstead Centre over a fifty year lease at £12 per annum. The market value of this rent is £18,000 per annum. During the year The Horstead Centre recharged £6,176 of expenditure to Norwich Diocesan Board of Finance Limited, with nothing outstanding at the year end.

£34,838 was recharged to The Diocese of Norwich Education and Academies Trust (DNEAT) in 2017 by the Consolidated Education Endowments Fund (CEE) and the Norwich Diocesan Board of Finance Ltd, with £10,023 outstanding at the year end. £30,000 was recharged by DNEAT to the Norwich Diocesan Board of Finance Ltd in respect of Free School bid work, with nothing outstanding at the year end.

£31,814 was transferred to The Diocese of Norwich Multi-Academy Trust (DoNMAT)(now known as St Benet's Multi-Academy Trust) in 2017, with respect to devolved formula capital for schools transferring to academy status. £210 was contributed towards subscription costs. There were no amounts outstanding at the year end.

£50,899 was recharged to The Anne French Memorial Trust in 2017, with £18,795 outstanding at the year end. Grants totalling £230,000 were given towards housing costs and Mission Strategy funds, with £200,000 deferred at 31 December 2017 to be spent in future periods.

NDBF Easton Limited has been established to be part of a land-owners consortium for property development in the village of Easton, this company should become active during 2018.

The Diocese of Norwich Churches Trust was established during 2015. This is a Charitable Incorporated Organisation (CIO) set up to relieve incumbents and PCC members with very small congregations, from the burden and responsibility of the Churches running costs. £206 was recharged to the Trust by the Norwich Diocesan Board of Finance Limited during 2017, with nothing outstanding at the year end.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31st December 2017**

**32. Capital commitment**

The Board has a long term commitment towards the purchase of development land, the amount of which depends on future planning permission. The Board's best estimate is that this will not exceed £700,000.

**33. Subsidiary Undertakings**

**(a) Spire Support Services Limited**

Spire Support Services Limited is a wholly owned subsidiary of Norwich Diocesan Board of Finance Limited, incorporated on 19 May 2011.

	2017 £'000	2016 £'000
Spire Support Services Limited net profit for the year ended 31 December	<u>84</u>	<u>42</u>

Transactions between Spire Support Services Limited and Norwich Diocesan Board of Finance Limited are as follows:

	2017 £'000	2016 £'000
Expenses paid on behalf of Spire Support Services Limited (inc. recharges)	<u>295</u>	<u>225</u>
Amounts owing by Subsidiary undertaking at 31 December 2017 (debtor)	<u>295</u>	<u>225</u>
Shareholders Deficit	<u>(76)</u>	<u>(161)</u>

During the year Spire Support Services Limited collected rental income net of 8% commission plus VAT of £212,388. Spire Support Services charged Norwich Diocesan Board of Finance Limited £32,312 inc VAT for design and surveying services. Norwich Diocesan Board of Finance Limited charged Spire Support Services £22,805 for management oversight, financial services, office rental and loan interest. The accounts for Spire Support Services Limited for the year ended 31 December 2017 have been audited by Lovewell Blake LLP and received an unqualified audit opinion with a material uncertainty relating to going concern. For further information please refer to the subsidiary accounts which are available on request.

**(b) WiSpire Limited**

WiSpire Limited was incorporated on 7 June 2011 and was set up under a joint venture agreement between Spire Support Services Limited, Mr Stephen Batson and Mr Peter Freeman dated 11 November 2011. Spire Support Services Limited held 75.4% of the ordinary share capital of WiSpire Limited at 31 December 2014 following the acquisition of 244 'B' shares from Mr Stephen Batson. During 2015 a further 245 'B' shares were purchased by Spire Support Services Limited from Mr Peter Freeman.

Spire Support Services Limited transferred its shares in WiSpire Limited (1,000 shares) to Norwich Diocesan Board of Finance Limited at cost on 16 July 2015. 200 Ordinary 'B' shares were issued on 16 July 2015 and purchased by Archant Limited at £110 per share (16.67% holding). During 2016 Mr S Maine and Mr S Batson purchased 24 and 12 Ordinary 'B' shares respectively at £110 each. During 2017 Norwich Diocesan Board of Finance Limited purchased all of the Ordinary 'B' Shares from Mr S Maine and Mrs S Batson for £110 each.

The principal activity during the year was the provision of wireless broadband.

	2017 £'000	2016 £'000
WiSpire Limited net (loss) for the year ended 31 December	<u>(70)</u>	<u>(570)</u>
Shareholders Deficit	<u>(961)</u>	<u>(918)</u>

Transactions between WiSpire Limited and Norwich Diocesan Board of Finance Limited during 2017, were as follows:

Amount recharged from Norwich Diocesan Board of Finance Limited to WiSpire Limited £75. Nothing was outstanding at 31 December 2017.

Amount charged from WiSpire Limited to Norwich Diocesan Board of Finance Limited £52,254 inc VAT. £14 was outstanding at 31 December 2017.

The accounts for WiSpire Limited for the year ended 31 December 2017 have been audited by Lovewell Blake LLP for the purposes of consolidation. On 9th March 2018 all of the Share Capital of WiSpire Ltd was sold to Redshelf Ltd for a consideration of £101,125.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st December 2017

**33. Subsidiary Undertakings (continued)**

**(c) Norwich Glebe Property Limited**

Norwich Glebe Property Limited was incorporated on 26 February 2016 and was set up in order to hold commercial glebe property.

	2017 £'000	2016 £'000
Norwich Glebe Property Limited net profit for the year ended 31 December	<u>32</u>	<u>19</u>

During the year Norwich Diocesan Board of Finance Limited collected rental income net of VAT of £49,803 on behalf of Norwich Glebe Property Limited, paid costs of £2,056 and charged loan interest of £15,653 to Norwich Glebe Property Limited. Norwich Glebe Property Limited will gift the above net profit under corporate gift aid to Norwich Diocesan Board of Finance Limited within nine months of the year end. The accounts for Norwich Glebe Property Limited for the year ended 31 December 2017 have been audited by Lovewell Blake LLP and received an unqualified audit opinion. For further information please refer to the subsidiary accounts which are available on request.

**34. Financial Instruments**

	2017 £'000	2016 £'000
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The carrying amounts of the company's financial instruments are as follows:

**Financial assets**

Measured at fair value through net income/expenditure:

Fixed asset listed investments (note 20)	<u>16,718</u>	<u>15,454</u>
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Debt instruments measured at amortised cost:

Parish Share debtor (note 22)	314	250
Assigned Fees debtor (note 22)	113	112
Amounts due from subsidiary undertakings (notes 22 and 23)	770	938
Other debtors (note 22)	644	384
Accrued income	<u>33</u>	<u>35</u>
	<u>1,874</u>	<u>1,719</u>

Equity instruments measured at cost less impairment:

Fixed asset unlisted investments (note 20)	<u>1,493</u>	<u>1,435</u>
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**Financial liabilities**

Measured at fair value through net income/expenditure:

Value Linked loans (note 26)	<u>501</u>	<u>664</u>
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Measured at amortised cost:

Other creditors	822	1,467
Accruals (note 24)	<u>161</u>	<u>131</u>
	<u>983</u>	<u>1,598</u>

**35. Deferred income (note 24)**

Deferred income brought forward at 1 January 2017	354	593
Deferred income added/(released) during the year	<u>638</u>	<u>(239)</u>
Deferred income carried forward at 31 December 2017	<u>992</u>	<u>354</u>

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st December 2017

**36. Prior year comparative Statement of Financial Activities**

	* <b>Restricted Funds</b> *				<b>Total Funds</b>
	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	Other Restricted Funds £'000	
<b>Income and endowments from</b>					
<b>Donations</b>					
Parish contributions	7,003	-	-	-	7,003
Archbishops' Council	-	-	1,639	-	1,639
Other donations	346	-	-	-	346
<b>Charitable activities</b>	917	-	6	19	942
<b>Other activities</b>	340	1	-	780	1,121
<b>Investments</b>	91	143	1,083	27	1,344
<b>Other sources</b>	4	627	-	1	632
<b>Total income</b>	8,701	771	2,728	827	13,027
<b>Expenditure on</b>					
<b>Raising funds</b>	223	-	110	1,264	1,597
<b>Charitable activities</b>	8,241	12	2,294	87	10,634
<b>Total expenditure</b>	8,464	12	2,404	1,351	12,231
<b>Net income before investment gains</b>	237	759	324	(524)	796
<b>Net gains on investments</b>	285	355	847	29	1,516
<b>Net income/(expenditure)</b>	522	1,114	1,171	(495)	2,312
<b>Transfers between funds</b>	-	-	-	-	-
<b>Other recognised gains/(losses)</b>					
Gains on revaluations of fixed assets	-	-	-	-	-
Adjustment of value linked loans	(86)	-	-	-	(86)
Transfer of redundant Trusts	-	-	-	-	-
Actuarial gain/(loss) on defined benefit pension scheme	(447)	-	648	-	201
<b>Net movement in funds</b>	(11)	1,114	1,819	(495)	2,427
<b>Reconciliation of funds</b>					
Total funds at 1st January 2016	5,239	78,709	46,136	1,699	129,997
Minority Interest	-	-	-	100	100
<b>Total funds at 31st December 2016</b>	5,228	79,823	47,955	1,304	134,310

NORWICH DIOCESAN BOARD OF FINANCE LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31st December 2017

37. Statement of Financial Activities at Company level before consolidation of Trading subsidiaries, CEE and Trusts

	* Restricted Funds *				Total Funds 2017 £'000	Total Funds 2016 £'000
	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	Other Restricted Funds £'000		
<b>Income and endowments from</b>						
<b>Donations</b>						
Parish contributions	7,098	-	-	-	<b>7,098</b>	7,003
Archbishops' Council	-	-	1,505	12	<b>1,517</b>	1,639
Other	341	-	-	120	<b>461</b>	346
<b>Charitable activities</b>	843	-	3	15	<b>861</b>	942
<b>Other activities</b>	382	1	-	-	<b>383</b>	341
<b>Investments</b>	79	150	1,141	-	<b>1,370</b>	1,317
<b>Other sources</b>	-	250	82	-	<b>332</b>	631
<b>Total income</b>	<b>8,743</b>	<b>401</b>	<b>2,731</b>	<b>147</b>	<b>12,022</b>	<b>12,219</b>
<b>Expenditure on</b>						
<b>Raising funds</b>	188	-	114	-	<b>302</b>	333
<b>Charitable activities</b>	8,711	32	1,988	137	<b>10,868</b>	10,565
<b>Total expenditure</b>	<b>8,899</b>	<b>32</b>	<b>2,102</b>	<b>137</b>	<b>11,170</b>	<b>10,898</b>
<b>Net income before investment gains</b>	(156)	369	629	10	<b>852</b>	1,321
<b>Net gains on investments</b>	273	434	6,848	-	<b>7,555</b>	1,488
<b>Net income</b>	<b>117</b>	<b>803</b>	<b>7,477</b>	<b>10</b>	<b>8,407</b>	<b>2,809</b>
<b>Transfers between funds</b>	-	-	-	-	-	-
<b>Other recognised gains/(losses)</b>						
Adjustment of value linked loans	(8)	-	-	-	<b>(8)</b>	(86)
Actuarial gain/(loss) on defined benefit pension scheme	136	-	(359)	-	<b>(223)</b>	201
<b>Net movement in funds</b>	<b>245</b>	<b>803</b>	<b>7,118</b>	<b>10</b>	<b>8,176</b>	<b>2,924</b>
<b>Reconciliation of funds</b>						
Total funds at 1st January 2017	5,228	79,823	47,955	259	<b>133,265</b>	130,341
<b>Total funds at 31st December 2017</b>	<b>5,473</b>	<b>80,626</b>	<b>55,073</b>	<b>269</b>	<b>141,441</b>	<b>133,265</b>



**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st December 2017

**38. Balance Sheet at Company level before consolidation of Trading subsidiaries, CEE and Trusts**

	* <b>Restricted Funds</b> *				<b>2017</b>	<i>2016</i>
	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	Other Restricted Funds £'000		
					<b>£'000</b>	<i>£'000</i>
<b>Fixed Assets</b>					*	
Tangible assets	4,578	78,085	4,958	9	<b>87,630</b>	85,992
Investment assets						
Glebe holding	-	-	37,135	-	<b>37,135</b>	31,729
Investments	2,828	4,604	10,689	-	<b>18,121</b>	16,614
	<b>7,406</b>	<b>82,689</b>	<b>52,782</b>	<b>9</b>	<b>142,886</b>	<b>134,335</b>
<b>Current Assets</b>						
Debtors	1,643	82	733	4	<b>2,462</b>	2,476
Pension scheme asset	62	-	-	-	<b>62</b>	-
Balances with Church						
Commissioners	-	(3)	-	-	<b>(3)</b>	8
Central Board of Finance						
Deposit Fund	196	297	-	2	<b>495</b>	457
Cash /(overdrawn balance) at bank	(2,854)	(2,383)	5,572	874	<b>1,209</b>	1,897
	<b>(953)</b>	<b>(2,007)</b>	<b>6,305</b>	<b>880</b>	<b>4,225</b>	<b>4,838</b>
<b>Creditors - Amounts</b>						
falling due within one year	479	56	14	620	<b>1,169</b>	940
<b>Net Current Assets</b>	<b>(1,432)</b>	<b>(2,063)</b>	<b>6,291</b>	<b>260</b>	<b>3,056</b>	<b>3,898</b>
<b>Total Assets Less</b>						
<b>current liabilities</b>	5,974	80,626	59,073	269	<b>145,942</b>	138,233
<b>Creditors - Amounts falling</b>						
due after more than one year	501	-	-	-	<b>501</b>	664
<b>Net Assets excluding pension</b>						
<b>scheme liability</b>	5,473	80,626	59,073	269	<b>145,441</b>	137,569
<b>Defined benefit pension scheme</b>						
<b>liability</b>	-	-	4,000	-	<b>4,000</b>	4,304
<b>Net assets after pensions liability</b>	<b>5,473</b>	<b>80,626</b>	<b>55,073</b>	<b>269</b>	<b>141,441</b>	<b>133,265</b>
<b>Fund Balances</b>						
At 31st December 2017	5,473	80,626	55,073	269	<b>141,441</b>	133,265

**39. Post Balance Sheet Event**

As described in note 33b, on 9 March 2018 the Board's 83.33% shareholding in its subsidiary company, WiSpire Limited, was sold to Redshelf Limited for a consideration of £101,125.