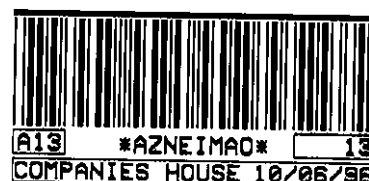


CANTERBURY DIOCESAN BOARD OF FINANCE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1995

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CANTERBURY DIOCESAN BOARD OF FINANCE
LEGAL AND ADMINISTRATIVE DETAILS

The Canterbury Diocesan Board of Finance is a company limited by guarantee which was incorporated on 29th December 1916: its governing instruments are its Memorandum and Articles of Association.

Charity Registration number:	249972	
Company Registration number:	145650	
Principal Officers:	Secretary Accountant	Mr D S Kemp Miss R A Collins
Registered Office:	Diocesan House Lady Wootton's Green Canterbury Kent CT1 1NQ	
Auditors:	Reeves & Neylan Chartered Accountants & Registered Auditors 37 St Margaret's Street Canterbury Kent CT1 2TU	
Solicitors:	Lee Bolton & Lee 1 The Sanctuary Westminster London SW1P 3JT	
Bankers:	Lloyds Bank Plc 49 High Street Canterbury Kent CT1 2SE	

MEMBERSHIP OF THE BOARD

Ex Officio

The Archbishop of Canterbury (President)
The Bishop of Dover
The Bishop of Maidstone

The Dean of Canterbury
The Archdeacon of Canterbury
The Archdeacon of Maidstone

Elected by the Deanery Synods for the triennium from 1st January 1994

East Bridge:	Mrs J Rule	Sandwich:	Mr P Trollope
West Bridge:	Mr L G Andrews	Thanet:	Mr G Golding
Canterbury:	Dr D Niblett	East Charing:	Mr A Barker
Reculver:	Mr R Atkins	West Charing:	Mr P F Maugham (Vice Chairman)
Dover:	Mr I Macdonald	North Lympne:	Mr D Hanbury
Elham:	Mr N Smith	South Lympne:	Mrs E Orpin
Ospringe:	Mr D Tilley	Sittingbourne:	Mr L W Lock
		Sutton:	Mr J Bellamy

The Archbishop's Nominees (maximum ten)
Mr G B Cotton
Mr M S Macdonald (Chairman)
The Reverend N A S Bury

CANTERBURY DIOCESAN BOARD OF FINANCE
EIGHTYFIRST REPORT FOR THE YEAR ENDED 31ST DECEMBER 1995

OBJECTIVES The Diocesan Board of Finance functions under the Diocesan Boards of Finance Measure 1925, as the financial executive of the Diocesan Synod and is responsible for the custody and management of the Synod's funds and properties.

REVIEW OF THE YEAR'S ACTIVITIES

(i) Accounts format

The format of the accounts reflect the introduction of the new financial system introduced at the beginning of 1995 which aimed to identify as accurately as possible the costs of parochial ministry, support services and mission.

New rules have also been introduced for charities in respect of accounts, annual report and audit which are contained in regulations which supplement the Charities Acts 1992 and 1993 and the revised Statement of Recommended Practice 2 (SORP).

The Regulations and revised SORP 2 must be complied with for all accounting years commencing on or after 1st March 1996.

In preparing the 1995 accounts the Board has gone some way in complying with SORP 2 by preparing a Statement of Financial Activities (SOFA), although not completely following the content and structure specified, and preparing a Balance Sheet analysed between permanent endowment, restricted and unrestricted funds in the same was as the SOFA.

The Board has also included in its accounts for the first time those Trusts over which it has absolute discretionary control and of which it is a beneficiary, the Diocesan Pastoral Account and the Diocesan Stipends Fund Capital Account.

As can be seen from the SOFA on Page 5 and the notes to the SOFA on page 6 the overall General Fund Income and Expenditure surplus for the year was £13,391 made up as follows:—

Ministry costs deficit, after transitional subsidy	(51,667)
Support services surplus	30,695
Mission surplus	21,050
General Fund surplus	13,313
	<u>£13,391</u>

(ii) Significant changes in Fixed Assets

Attention is drawn to the tangible fixed assets note on pages 15 and 16.

(iii) The Gadd Report

During the year a review of the Support Services was carried out by Mike Gadd and the recommendations having been widely circulated in the diocese are currently being considered and implemented where appropriate by the Boards and Committees concerned.

(iv) St. Gabriels Retreat House

In view of the decision made at the Diocesan Synod in 1994 St. Gabriel's was sold to the National Institute for Deaf Children. John and Audrey Hess were invited to stay on as wardens.

(v) Diocesan Staff

During the year David Clark, The Diocesan Surveyor, retired after 23 years of service and the Board took the opportunity to implement part of the Gadd Report and review the whole structure of the Property Committee and the Diocesan Advisory Committee. A new Director of Property Services, Philip Bell, was appointed to take responsibility for the overview of both departments and, unfortunately, this entailed the redundancy of Richard Cailles.

The clergy and laity in the parishes have every cause to be grateful for the manner in which they are served by the committed staff at Diocesan House.

CANTERBURY DIOCESAN BOARD OF FINANCE
EIGHTYFIRST REPORT FOR THE YEAR ENDED 31ST DECEMBER 1995
(Continued)

MARKET VALUE OF LAND AND BUILDINGS

In the opinion of the members of the Board, the total Market Value of the freehold properties is in excess of the value at which they appear in the balance sheet.

INTEREST IN SHARES

The Board is a company limited by guarantee and as such has no share capital. The members of the Board may derive no benefit, income or capital interest in the Board's financial affairs other than reimbursement of out-of-pocket expenses.

TAXATION STATUS

The Board is a registered charity and as such has no form of income which is liable to corporation tax.

POLITICAL AND CHARITABLE DONATIONS

The Canterbury Diocesan Board of Finance is a charity registered with the Charity Commission and a proportion of its payments are for charitable purposes as detailed in the accounts. No political contributions were made in the year.

MEMBERS' RESPONSIBILITIES for the preparation of financial statements

Company law requires the Members of the Board to prepare financial statements for each financial year which will give a true and fair view of the state of affairs of the Board and of the surplus or deficit of the Board for that period. In preparing those financial statements, the Members are required to:

- * select suitable accounting policies and then apply them consistently
- * make judgements and estimates that are reasonable and prudent
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Board will continue.

The Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board. They are also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Messrs Reeves & Neylan have expressed their willingness to continue in office as Auditors of the Canterbury Diocesan Board of Finance and offer themselves for reappointment at the next annual general meeting.

MEMBERS OF THE BOARD

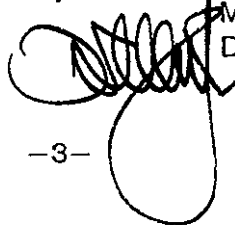
The names of the members of the Board are shown on page 1.

Date: 4th May 1996



M S MACDONALD

Chairman



D S KEMP

Secretary

**AUDITOR'S REPORT TO THE MEMBERS OF THE CANTERBURY
DIOCESAN BOARD OF FINANCE**

We have audited the financial statements on pages 5 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 and 12.

RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITORS

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

BASIS OF OPINION

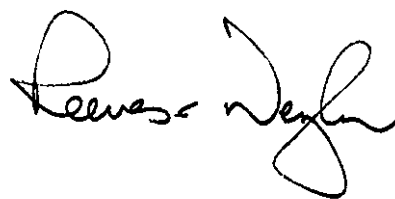
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of the Board's affairs as at 31st December 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

REEVES & NEYLAN
CANTERBURY



CHARTERED ACCOUNTANTS
AND
REGISTERED AUDITORS

22 May 1996

CANTERBURY DIOCESAN BOARD OF FINANCE
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31ST DECEMBER 1995

Recurring Income and Expenditure

Income

Parish Shares	3,365	—	—	3,365	3,021
Church Commissioners grants and allocations	666	—	—	666	737
Grants, donations and legacies	51	20	—	71	47
Fees and Chaplaincy Income	7	—	—	7	241
Investment Income	75	66	172	313	278
Application of income from restricted funds	165	(5)	(160)	—	—
Rents	23	—	—	23	23
Other Stipends Fund income	6	—	—	6	7
Other Income	41	21	—	62	141
Repayment of grant from previous years	5	—	—	5	—

Total Income

4,404 102 12 4,518 4,495

Expenditure

Cost of permanent clergy	2,951	—	—	2,951	2,808
Training	487	—	—	487	509
Senior Clergy	85	—	—	85	81
Services	241	—	—	241	201
Administration	449	3	—	452	463
Mission costs	178	—	—	178	237
Grant to Educational Trust on sale of Womenswold Youth Centre	—	—	—	—	47
Grants and disbursements	—	31	9	40	128

Total Expenditure

4,391 34 9 4,434 4,474

**Surplus of income over expenditure
for the year**

13 68 3 84 21

Capital gains and losses

Realised gains/(losses)

155 (17) 8 146 106

Unusual and non regularly recurring items

New Capital funds received	—	47	—	47	5
Addition to Church Commissioners loans	(36)	—	—	(36)	—
Transfers between funds	(194)	194	—	—	—

Total new funds received in year

(230) 241 — 11 5

**Net(decrease)/increase in resources during
the year**

(62) 292 11 241 132

Funds brought forward at 1.1.94

as previously stated

Prior year adjustment (See note 1 (j))

1,748 2,678 53 4,479 6,631
— 595 1,689 2,284 —

Funds brought forward at 1.1.95

— as restated

1,748 3,273 1,742 6,763 6,631

Funds carried forward at 31.12.95

See notes page

1,686 3,565 1,753 7,004 6,763

6 7 8

The results reflected above represent the total gains and losses of the Board and arise wholly from continuing activities.

The notes on pages 11 to 19 form part of these accounts.

CANTERBURY DIOCESAN BOARD OF FINANCE

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR
ENDED 31ST DECEMBER 1995**

GENERAL FUNDS – UNRESTRICTED

Recurring Income and Expenditure

	General	Ministry	Support Services	Mission	Transitional Subsidy	Total 1995	Total 1994 (as restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income							
Parish Shares	8	2,056	1,102	199	—	3,365	3,021
Church Commissioners grants and allocations	—	101	8	—	557	666	737
Grants, donations and legacies	—	—	51	—	—	51	47
Fees and Chaplaincy Income	—	7	—	—	—	7	241
Investment Income	—	—	69	—	6	75	67
Application of income from restricted funds	—	—	28	—	137	165	155
Rents	—	—	23	—	—	23	23
Other Stipends Fund income	—	—	—	—	6	6	7
Other Income	—	3	12	—	26	41	25
Repayment of grant from previous years	5	—	—	—	—	5	—
Total Income	13	2,167	1,293	199	732	4,404	4,323
Expenditure							
Cost of permanent clergy	—	2,951	—	—	—	2,951	2,808
Training	—	—	487	—	—	487	509
Senior Clergy	—	—	85	—	—	85	81
Services	—	—	241	—	—	241	201
Administration	—	—	449	—	—	449	460
Mission costs	—	—	—	178	—	178	237
Grant to Educational Trust on sale of Womenswold Youth Centre	—	—	—	—	—	—	47
Transitional Relief	—	2,951	1,262	178	—	4,391	4,343
	—	(732)	—	—	732	—	—
Total Expenditure	—	2,219	1,262	178	732	4,391	4,343
Surplus/(deficit) of income over expenditure for the year	13	(52)	31	21	—	13	(20)
Capital gains and losses							
Loss on sale of 2 Railway Terrace, Barham	(1)	—	—	—	—	(1)	—
Profit on sale of St. Gabriels	156	—	—	—	—	156	—
Profit on sale of Womenswold Training Centre	—	—	—	—	—	—	12
	155	—	—	—	—	155	—
Unusual and non regularly recurring items							
Addition to Church Commissioners loans	(36)	—	—	—	—	(36)	—
Transfers between funds	(194)	52	(31)	(21)	—	(194)	21
Total new funds received in year	(230)	52	(31)	(21)	—	(230)	21
Net increase/(decrease) in resources during the year	(62)	—	—	—	—	(62)	13
Funds brought forward at 1.1.95 — as restated	1,748	—	—	—	—	1,748	1,735
Funds carried forward at 31.12.95	1,686	—	—	—	—	1,686	1,748

Note
2

Note
2(i)

Note
2(ii)

Note
2(iii)

Note
2(iv)

CANTERBURY DIOCESAN BOARD OF FINANCE

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR
ENDED 31ST DECEMBER 1995**

DESIGNATED FUNDS (UNRESTRICTED)

	Ministry Housing	St.Peters Building	St.Gabriels	Other designated	Pastoral Fund (DPA)	Total 1995	Total 1994 (as restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Recurring Income and Expenditure							
Income							
Investment Income	—	19	5	15	27	66	43
Application of restricted income	—	—	—	(5)	—	(5)	(4)
Other Pastoral Fund income	—	—	—	—	21	21	116
Donations	—	—	—	20	—	20	—
Total Income	—	19	5	30	48	102	155
Expenditure							
Administration	—	3	—	—	—	3	3
Grants & Disbursements	—	—	—	—	31	31	109
Total Expenditure	—	3	—	—	31	34	112
Surplus of income over expenditure for the year	—	16	5	30	17	68	43
Capital gains and losses for the year							
Realised gains/(losses)	(17)	—	—	—	—	(17)	77
Unusual and non regularly recurring items							
New Capital funds received	—	—	—	—	47	47	—
Transfers between funds	141	—	219	—	(166)	194	(21)
Total new funds received in year	141	—	219	—	(119)	241	(21)
Net increase/(decrease) in resources during the year	124	16	224	30	(102)	292	99
Funds brought forward at 1.1.94 as previously stated	2,358	320	—	—	—	2,678	3,174
Prior year adjustment (see note 1(j))	—	—	—	70	525	595	—
Funds brought forward at 1.1.95 as restated	2,358	320	—	70	525	3,273	3,174
Funds carried forward at 31.12.95	2,482	336	224	100	423	3,565	3,273
	Note 3(i)	Note 3(ii)	Note 3(iii)	Note 3(iv)	Note 3(v)		

CANTERBURY DIOCESAN BOARD OF FINANCE
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR
ENDED 31ST DECEMBER 1995

RESTRICTED FUNDS

Recurring Income and Expenditure	Stipends Capital £'000	Parsonage Houses Repair £'000	Other £'000	Endowment £'000	Total 1995 £'000	Total 1994 (as restated) £'000
<u>Income</u>						
Investment Income	70	8	67	27	172	168
Application of restricted income	(70)	(8)	(55)	(27)	(160)	(151)
Total Income	—	—	12	—	12	17
<u>Expenditure</u>						
Grants & Disbursements	—	—	9	—	9	19
Surplus/(deficit) of income over expenditure for the year	—	—	3	—	3	(2)
Capital gains and losses for the year						
Realised gains	8	—	—	—	8	17
Unusual and non regularly recurring items:						
New Capital Funds received in year						
Legacies etc added to funds	—	—	—	—	—	5
Net increase in resources during the year	8	—	3	—	11	20
Funds brought forward at 1.1.94 as previously stated	—	53	—	—	53	1,722
Prior year adjustment(See Note 1(i))	805	—	648	236	1,689	—
Funds brought forward at 1.1.95 as restated	805	53	648	236	1,742	1,722
Funds carried forward at 31.12.95	813	53	651	236	1,753	1,742

Note Note Note Note
4(i) 4(ii) 4(iii) 4(iv)

CANTERBURY DIOCESAN BOARD OF FINANCE

BALANCE SHEET AS AT 31ST DECEMBER 1995

	Note	General Fund £'000	Designated Funds (Unrestricted) £'000	Restricted Funds £'000	Total 1995 £'000	Total 1994 (as restated) £'000
Fixed Assets						
Tangible Assets	5	1,085	3,023	57	4,165	4,224
Investments	6	280	57	1,277	1,614	1,610
		1,365	3,080	1,334	5,779	5,834
Current Assets						
Stock		23	—	—	23	14
Debtors	7	517	14	32	563	747
Cash at bank and on short terms deposit	8	587	1,042	387	2,016	1,844
		1,127	1,056	419	2,602	2,605
Creditors: Amounts falling due within one year	9	532	344	—	876	1,145
Net Current Assets		595	712	419	1,726	1,460
Total assets less current liabilities		1,960	3,792	1,753	7,505	7,294
Creditors: Amounts falling due after more than one year	9	274	227	—	501	531
Net Assets		1,686	3,565	1,753	7,004	6,763
Funds		1,686	3,565	1,753	7,004	6,763

The notes on pages 11 to 19 form part of these accounts

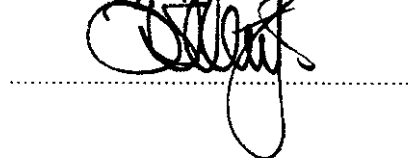
The Accounts were formally approved by the Board on 7th May 1996 and signed on their behalf by:



(Chairman)



(Member)
(Vice-Chairman)



(Secretary)

THE CANTERBURY DIOCESAN BOARD OF FINANCE
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 1995

	1995 £,000	1994 (as restated) £,000
Net cash inflow from operations (See note below)	189	196
Investing activities:		
Purchase of tangible fixed assets	(264)	(307)
Disposal of tangible fixed assets	429	278
Purchase of Fixed Asset Investments	(4)	—
Capital expenditure on properties not owned by the Board	(36)	—
Net cash inflow/(outflow) from investing activities	125	(29)
Net cash inflow before financing	314	167
Financing:		
New funds	47	5
Loans repaid to Board	25	16
(Loans repaid by)/made to the Board	(173)	22
Net cash (outflow)/inflow from financing	(101)	43
Increase in cash and cash equivalents	213	210

NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating surplus to net cash flow from operating activities

Operating surplus	84	21
Depreciation	40	45
(Increase) in stock	(9)	(4)
Decrease in debtors	159	24
(Decrease)/Increase in creditors	(85)	110
Net cash inflow from operating activities	189	196

Analysis of changes in cash and cash equivalents during the year

Balance at 31st December 1994	1,803	1,593
Net cash inflow	213	210
Balance at 31st December 1995	2,016	1,803

Analysis of the balances of cash and cash equivalents as shown by the balance sheet

	1995	1994	Change in year
Deposits with the Central Board of Finance	1,686	1,337	349
Cash at bank and in hand	330	507	(177)
Bank overdraft	—	(41)	41
	2,016	1,803	213

CANTERBURY DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1995

1. ACCOUNTING POLICIES

- a. The financial statements are prepared on the historical cost basis of accounting.
- b. The financial statements are prepared on the accruals basis.
- c. The company has charitable aims and does not trade on a commercial basis. Accordingly, the income and expenditure account format laid down in the Companies Act 1985 is inappropriate. The Board has therefore taken advantage of the exemption provided by Section 228 of the Companies Act 1985 and has presented the income and expenditure account in a format appropriate to the Company's activities.
- d. **Investments** are shown at cost.
- e. **Property:** Where the Board acquires property on its own account the total cost is capitalised. Surpluses or deficits arising on sales of property are dealt with through the Statement of Financial activities.
- f. **Depreciation** has been calculated on a straight line basis of 20% per annum. No depreciation has been provided in respect of freehold properties.
- g. **Church Commissioners Loans**
Certain capital expenditure on parsonages and team vicarage properties is financed by loans from the Church Commissioners at 5% p.a. repayable over periods of up to 25 years. These loans are legally the responsibility of the benefice concerned, and guaranteed by the Board. In practice, all the repayments of these loans are met by the Board, and hence they have been included as a liability of the Board. The amount of any additional liability taken on during the year is charged to the Statement of Financial activities. The interest payable in each year is written off to the Statement of Financial activities as it arises. In the event of a sale of any such properties, the proceeds will be used to repay the loans outstanding on that property.
- h. **Subsidiary Operations**
The Accounts of the Board do not reflect the operations of various bodies which have been established by and are answerable to the Diocesan Synod, which are funded by the Board, but the Board remains ultimately responsible for their liabilities. Their annual report and accounts are presented to the Diocesan Synod but their funds, assets and liabilities are not incorporated in the Board's own accounts.

If in the view of the members of the Board, any liability or potential liability existed in connection with such bodies at 31st December 1995, this would be noted under the heading of contingent liabilities.
The bodies concerned are as follows:—
Diocesan Board of Education
Council for Social Responsibility (Joint Council for Canterbury and Rochester Dioceses)
Diocesan Association for the Deaf
- i. **Ministry Training**
Included under the heading of "Ministry " is an item described as "Cost of permanent clergy". This expenditure includes "In Service Training" which represents an amount provided annually to enable the ministers to meet training costs even though the whole of the provision is not actually spent in the year.

The unspent balance is carried forward for three years, and thereafter transferred to an "In Service Training Sabbatical Fund" held in Trust at the disposal of the Board of Ministry and Training.

CANTERBURY DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1995

1. ACCOUNTING POLICIES (Continued)

j. Trusts, Diocesan Pastoral Account and the Diocesan Stipends Fund Capital Account

As referred to in the Board's Report the accounts include, for the first time, those Trusts over which it has absolute discretionary control and of which it is a beneficiary, the Diocesan Pastoral Account and the Diocesan Stipends Fund Capital Account.

(i) Trust Funds

The Board is now obliged to include in its Balance Sheet the assets and funds of those Trusts under the Board's control and from which the Board benefits.

The funds of these Trusts have, therefore, been added to the Board's funds under the classification given in SORP 2, i.e. unrestricted funds, designated funds, restricted funds and permanent endowment.

(ii) Diocesan Pastoral Account and the Diocesan Stipends Fund Capital Account

These accounts are held with the Church Commissioners, who act both as account holders and in a supervisory capacity under legislation.

The accounts are available for the benefit of the diocese and can be applied at the diocese's instigation to diocesan purposes, subject to the terms of the legislation. In view of this the Board has decided to include in its financial statements the assets and funds of these two Accounts.

The effect on the financial statements of this change in the accounting policy in respect of Trusts, Diocesan Pastoral Account and the Diocesan Stipends Fund Capital Account is as follows:—

	1995 £'000	1994 £'000
Funds under previous accounting policy	4,781	4,479
Adjustments required for new accounting policy (See pages 5,7 and 8)	2,223	2,284
Funds restated	7,004	6,763

Comparative figures have been restated

CANTERBURY DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1995 – (continued)

2. GENERAL FUND

The General Fund is the accumulation of surpluses less deficits on the income and expenditure account, together with profits less losses on the sales of fixed assets (except for housing for the ministry) and bequests for the general purposes of the Board, and various grants towards fixed assets. The General Fund can be used for any of the objects of the Board.

The Diocesan Synod in November 1994 approved a new financial system whereby parishes would be asked to contribute to funds financing Ministry, Support Services and Mission within the diocese with the objective that benefices should, if possible, be meeting their full financial responsibilities including the cash costs of their stipendiary ministers by January 1999. Transitional Relief would be given to ensure ministry and church life were not dislocated by large changes in financial circumstances. Details of the funds are as follows:—

(i) **MINISTRY**

Each benefice is asked to contribute the full cost of its paid ministry, including stipend, Employer's National Insurance, housing maintenance, insurance and Council Tax, together with the costs of in-service training. This figure is offset by a refund of incumbent's fees and some statutory grants from the Church Commissioners. Any surpluses or deficits are transferred to the General Fund.

(ii) **SUPPORT SERVICES**

The total cost of support services (bishops, archdeacons, training, legal services, diocesan administration etc) is allocated between parishes using the "Fairer Shares II" system. This figure is offset by investment and other income. Any surpluses or deficits on this fund are transferred to the General Fund.

(iii) **MISSION**

The total cost of Mission (University Chaplaincy, Agricultural Chaplaincy, Council for Social Responsibility, Council for the Deaf, the Board of Mission and the cost of "Outlook" Newspaper and the Growth and Opportunities Fund) is allocated between parishes using the "Fairer Shares II" system. Any surpluses or deficits are transferred to the General Fund.

(iv) **TRANSITIONAL RELIEF**

This fund comprises the discretionary allocation from the Church Commissioners, together with income from the Stipends Capital Fund and other Trust income dedicated to stipends. The fund is used to offset Ministry Costs during the transitional period, and is transferred to the Ministry Fund on an annual basis.

3. OTHER UNRESTRICTED FUNDS

(i) **MINISTRY HOUSING**

A separate fund has been established which reflects the total capital sums expended on ministry housing, so as to distinguish such sums which have been committed in this way from the Board's General Funds.

(ii) **MAIDSTONE ST PETER'S BUILDING FUND**

This fund represents the cash received on the surrender of the lease of Maidstone St Peter's Redundant church and church hall. It has been agreed to hold this as a separate fund.

(iii) **ST GABRIEL'S RETREAT HOUSE**

The house was sold in 1995 and the total sale proceeds are being held pending a decision by the Diocesan Synod about their use in support of spirituality work in the diocese.

CANTERBURY DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1995 – (continued)

OTHER UNRESTRICTED FUNDS (Continued)

(iv) **OTHER DESIGNATED FUNDS**

These are funds created by donations and legacies on which there is no restriction on the use of either capital or income, other than restrictions imposed by the Board, namely:

Miss C E Higham	Income used for general purposes
C S Thoms Bequest	To assist retired clergy
The Holt Fund	Income used to assist dependents of ordinands
The Holiday Fund	To assist the clergy and layworkers to take holidays
Knight Trust	Income for the training for the Ministry
Eunice Fund	Discretionary purposes in rural areas
Other Funds	Board's general purposes

(v) **PASTORAL FUND**

This fund receives the sale proceeds of churches and parsonages which have become redundant under pastoral reorganisation when it is specified that they should be paid into this fund. The purposes for which the fund may be used are laid down in Section 78 of the Pastoral Measure 1983 and comprise:—

i) grants and loans for parsonage and church provision, restoration, improvement or repair;

ii) costs of disposing of or maintaining houses and churches vested in the Board or Commissioners by the Measure;

iii) transfers to Diocesan Stipends Fund capital or income;

iv) other purposes of the diocese or any benefice or parish.

4. RESTRICTED FUNDS

(i) **STIPENDS CAPITAL FUND**

The fund is governed by Section 35 of the Endowments & Glebe Measure 1976. Income is derived primarily from the return on investments, the sale of glebe, gains from the sale of investments from the fund, the transfer of parsonage monies and occasional gifts/bequests.

The fund is primarily available to produce income for stipends but the Commissioners have discretion, at the request of the bishop and with the concurrence of the Board, to apply it for:

i) acquiring new glebe property;

ii) developing, improving and protecting amenities of glebe;

iii) discharging of capital levies on glebe;

iv) discharging loans on glebe;

v) discharging any loan made by the Commissioners under the Endowments and Glebe Measure;

vi) the provision or improvement of parsonage houses.

At the present time the income of the fund is automatically applied to stipends.

CANTERBURY DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1995 – (Continued)

(ii) **PARSONAGE HOUSES REPAIR FUND**

This is the balance of a fund held by the Church Commissioners in the name of this Diocese since the implementation of the Repair of Benefice Buildings Measure, 1972. At that time the fund balance was paid to the Diocese to be invested and the income to be used towards the cost of repairs to parsonages.

(iii) **OTHER RESTRICTED FUNDS**

These are donor restricted funds created by legacies where the capital and income must be applied to specified purposes, namely:

Dame Janet Stancomb—Wills Bequest	For clergy stipends
Mrs A W Manell Bequest	For retired clergy and widows
R & M Pratt Bequest	For retired clergy
Dorothy Mowll Will Trust	For clergy widows

together with the accumulated income on the following Endowment Fund.

Tait Mission Fund	For the Tait Missioner's expenses
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(iv) **ENDOWMENT FUNDS**

These are donor restricted funds created by donations and legacies where the capital may not be expended and the income is to be applied to specified purposes, namely:

Standen Bequest	For clergy stipends
Spooner Bequest	For clergy stipends
A T Wiggins Bequest	For clergy stipends
Anderson Bequest	For the Board's General Purposes
Candidates for the Ministry Fund	For the training for the Ministry
Tait Mission Fund	For expenses of a Tait Missioner
A V & P G Hoad Fund	For training for the Ministry

TANGIBLE FIXED ASSETS

Cost or Valuation

At 1st January 1995

Additions

Disposals

Depreciation

At 1st January 1995

Charge for the year

Eliminated on disposals

Net Book Value

31st December 1995

31st December 1994

Cost or Valuation at 31st December 1995 is represented by: –

Valuation

Cost

GENERAL FUND			DESIGNATED FUNDS		RESTRICTED	TOTAL
Diocesan Property £'000	Office Equipment £'000	Motor Cars £'000	Ministry Housing £'000	Other Property £'000	Investment Property £'000	
1,102	231	83	2,975	–	57	4,448
20	15	18	196	15	–	264
(123)	(3)	(41)	(163)	–	–	(330)
999	243	60	3,008	15	57	4,382
–	170	54	–	–	–	224
–	26	14	–	–	–	40
–	(2)	(45)	–	–	–	(47)
–	194	23	–	–	–	217
999	49	37	3,008	15	57	4,165
1,102	61	29	2,975	–	57	4,224
47	–	–	121	–	–	168
952	243	60	2,887	15	57	4,214

The Valuation consists of: –

'Upway' St Martins Hill, Canterbury
made in 1957

Church House, Wallis Ave, Maidstone
made in 1995

60 Marsham Street, Maidstone,
made in 1975

£'4

£'117

£'47

CANTERBURY DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1995 – (continued)

5. TANGIBLE FIXED ASSETS (Continued)

MINISTRY HOUSING

- a. In the event of the sale of the Bishop's House, Charing and Upway, if there is a surplus over the book value, a proportion of the surplus would be repaid to the Church Commissioners.
- b. The Board has an equity share only in the following properties, which are included in the above total of £'3008.
- 56, Viney Bank, Addington (195/399 equity) 19, Fulbert Drive, Bearsted (60% equity)
- c. The undermentioned properties have been vested in the Board for disposal. In the event of a sale the proceeds would be credited to the Pastoral Fund. These are not included in the above total of £'3008: –

Bapchild Rectory
25 Dence Park, Herne Bay
Pluckley Rectory

Northbourne Rectory
The Vicarage, Shepherdswell

- d. The Church Commissioners have provided Equity Sharing Loans in respect of the undermentioned properties and, therefore, in the event of a sale, a proportion of the proceeds would have to be repaid to the Church Commissioners. These are included in the above total of £'3008: –

19 The Weald, Ashford
1 Hunter's Way, Sheldwich
29, Reading Street, Broadstairs
1 Fordcombe Close, Maidstone

2, St. Peter's Close, Minster, Sheppey
158 Canterbury Road, Kennington
11, Earlsworth Road, Willesborough

DIOCESAN PROPERTY

- a. In the event of the sale of any of the undermentioned properties, the loan advanced by the Church Commissioners would be repaid in full together with any surplus arising from the sale.

Flat 1 Rochester Court, Canterbury (Leasehold with unexpired term of 85 years)
26 Pasture Hill Road, Haywards Heath
14 High Street, St Peter in Thanet
14 Knights Manor Way, Dartford. In respect of this property the Board has three shares in the Management Company.

- b. The following properties are not included in the above total of £'999: –
- (i) A small piece of land, part of All Saints Canterbury church site.
 - (ii) Glebe properties vested in the Board for administration. When such properties are sold the proceeds are credited to the Stipends Capital Fund.
 - (iii) Various properties vested in the Board for Diocesan purposes under Pastoral and Redundancy Schemes made by the Church Commissioners.

INVESTMENT PROPERTY

Two of the Board's restricted funds have equity shares in the following properties: –

5 Randolph Close, Canterbury (50%)
Lost Elms, Oak Lane, Minster, Sheppey (10.53%)

CANTERBURY DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1995 – (continued)

6. INVESTMENTS

	General Fund £'000	Designated Funds (Unrestricted) £'000	Restricted Funds £'000	Total 1995 £'000	Total 1994 £'000
At Cost	280	57	1,277	1,610	1,609
At Market Value	566	88	2072	2726	2458

The investments are all with the Central Board of Finance

7. DEBTORS

Parish Shares

Less: Provision in respect of unpaid shares for 1994
and earlier years

Other debtors

Prepayments

Loans :— (a) secured

Repayable on sale of Viney Bank

Addington

Other

(b) unsecured

Parishes

Other

Debtors comprise:—

Due within one year

Due in more than one year

	1995 £'000	1994 £'000
Parish Shares	280	379
<u>Less:</u> Provision in respect of unpaid shares for 1994 and earlier years	36	15
Other debtors	244	364
Prepayments	134	174
Loans :— (a) <u>secured</u>	52	51
Repayable on sale of Viney Bank		
Addington	20	20
Other	39	42
(b) <u>unsecured</u>		
Parishes	72	94
Other	2	2
	563	747
Debtors comprise:—		
Due within one year	514	629
Due in more than one year	49	118
	563	747
Central Board of Finance Deposit Fund	1,686	1,337
Cash at bank	330	506
Cash in hand	—	1
	2,016	1,844

8. CASH AT BANK AND IN HAND

Central Board of Finance Deposit Fund

Cash at bank

Cash in hand

CANTERBURY DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1995 – (continued)

9. **CREDITORS**

	1995		1994	
	Due within one year £'000	Due after one year £'000	Due within one year £'000	Due after one year £'000
Other creditors (see note a)	257	—	342	—
Loans from Church Commissioners:—				
Variable debit loans (see note b)	25	225	24	214
Variable debit loans (see note c)	17	227	16	244
Equity Share Loans (see note d)	281	—	331	—
Equity Share Loans (see note e)	282	—	378	—
Ecclesiastical Insurance Office				
Interest—9% repayable over 20 years	3	30	3	33
Interest—4.75% repayable over 5 years	1	4	—	—
Loans from Central Board of Finance	10	15	10	40
Bank overdraft	—	—	41	—
	876	501	1,145	531

(a) Included in the figure of other creditors above are the following:

- (1) Church Repair Scheme contributions received from Parishes in advance of the necessary repair work being carried out £'44 (1994 – £'34).
- (2) In Service Training Grants not taken up at the Balance Sheet date £'45 (1994 – £'40 See page 11 note 1 (i))

- (b) The Church Commissioners variable debit loans for capital works on certain parsonages and team vicarages are repayable over terms varying from 5 to 25 years in quarterly instalments, including interest at a variable rate.
- (c) Variable Debit Loans are again for the purchase of Ministers Houses and are repayable over terms varying from 15 to 25 years in quarterly instalments including interest at a variable rate.
- (d) Equity Sharing Loans for the purchase of special needs housing purchased on behalf of the Church Commissioners. They are only repayable in the event of the sale of the properties and interest is at a variable rate.
- (e) Equity Sharing Loans for the purchase of Ministers Houses are only repayable in the event of the sale of the properties. Interest is at a variable rate.

10. **CAPITAL COMMITMENTS**

Future capital expenditure for which no provision has been made in these accounts as follows:—
 Contracted for

1995 £'000	1994 £'000
—	24

11. **CONTINGENT LIABILITIES**

- a. There are contingent liabilities under guarantee amounting to

1995 £'000	1994 £'000
17	22

- b. There are contingent liabilities of £'38 and £'3 to the Church Commissioners in respect of the Bishop of Maidstone's house, and the Bishop of Dover's house respectively in the event of the sale of these properties.
- c. As mentioned in Note 1 (h) the Board remains ultimately responsible for the liabilities of its Subsidiary Operations.

CANTERBURY DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1995 – (continued)

12. EMOLUMENTS

No emoluments have been paid by the Board of Finance to any member of the Board.

13. PENSION COMMITMENTS

The Employer participates in the Church of England Defined Benefits Scheme section of the Church Workers Pension Fund (the Fund), a pension scheme administered by the Church of England Pensions Board to provide benefits on final pensionable salaries. The assets of the Fund are held separately from those of the Employer.

The contributions have been assessed by a qualified actuary using the Projected Unit Credit method of valuation. The principal assumptions were that the return on assets would be 2% per annum higher than the increase in pensionable salaries, and 4.5% per annum higher than the increases to pensions in payment.

A full valuation of the Fund was undertaken as at 31st December 1992 and the actuarial position was reassessed. The Pension Cost for the year as shown in this statement is equal to the contributions being paid by the employer. As at 31st December 1992 the market value of the assets attributable to the Employer's section amounted to £439,783. Their contribution rate was assessed at that date, and the Employer's section was shown to be in deficiency. The contributions allow for this deficiency to be amortised over the next 15 years as advised by the Fund's actuaries.

Pensions in payment under this arrangement are entitled to annual increases of the lesser of 5% pa or the rise in the RPI. An increase of 2.2% was granted with effect from 1st January 1995.

A further valuation of the Fund is being undertaken as at 31st December 1995.

14. EMPLOYEES

Average weekly number of employees:

Administration – Part Time
– Full Time

1995	1994
4	5
12	12

Staff Costs

Wages and salaries
Social Security costs
Pension costs

£'000	£'000
207	209
15	18
30	34
252	261

15. FUNDS

At 1st January 1995
Realised gains/(losses)
New capital funds received
Transfers between funds
Addition to Church Commissioners loans
Surplus of income over expenditure

General £'000	Designated £'000	Restricted £'000
1,748	3,273	1,742
155	(17)	8
–	47	–
(194)	194	–
(36)	–	–
13	68	3
1,686	3,565	1,753

At 31st December 1995

CANTERBURY DIOCESAN BOARD OF FINANCE
DETAILED INCOME AND EXPENDITURE ACCOUNT SCHEDULES FOR THE YEAR
ENDED 31ST DECEMBER 1995

1. The Ministry

	1995 £'000	1994 (as restated) £'000
Stipends -	2,188	2,194
Employer's National Insurance	140	-
Housing:		
Repairs	199	184
Improvements and decorations	65	58
Water & Sewerage rates	47	34
Insurance	31	29
Interest on loans	45	37
Rents	3	7
Professional fees	2	1
Housing administration	56	46
Less: Income towards Administration	(1)	(6)
Costs met by Boards, Council's & Committees	(20)	-
	427	390
Council Tax	123	112
In Service Training	24	25
Payments during vacancies	-	20
Removal, resettlement and first appointment grants	49	53
Clergy group assurance	-	14
Cost of permanent clergy	2,951	2,808
Income		
Guaranteed Annuities and Personal Grants	101	104
Fees and Chaplaincy income	7	241
Other income	3	-
Parish Shares	2,056	1,700
Transfer from Transitional Relief Fund	732	790
	2,899	2,835

(Deficit)/Surplus for the year transferred to General Fund

(52)

27

2. Support Services

Training:

Training for ordination:

Grants to ordination candidates	40	27	37
Cost of Diocesan Director of Ordinands	14	15	7
National Training	134	134	127
First Appointment Grants	5	3	9

Ministry costs of training curates(50%)

Removal expenses

Board of Ministry & Training

Adult Education and Lay Training

Diocesan Conference

Canterbury School of Ministry

Total Cost of Training

1995 Budget £'000	1995 £'000	1994 (as restated) £'000
	179	180
	182	195
	-	3
	102	79
	18	33
	6	6
	-	13
	487	509

Senior Clergy:

Bishops (Housing & Office rent)

Archdeacons

Archbishop's Chaplain

Total Cost of Senior Clergy

10	16	8
51	46	49
23	23	24
84	85	81

CANTERBURY DIOCESAN BOARD OF FINANCE
DETAILED INCOME AND EXPENDITURE ACCOUNT SCHEDULES FOR THE YEAR
ENDED 31ST DECEMBER 1995

Services

Miscellaneous payments to clergy
Board of Education (Schools)
Stewardship Committee
St. Gabriels
Covenant Department
Communications Department
Diocesan Advisory Committee

1995 Budget £'000	1995 £'000	1994 (as restated) £'000
—	2	8
74	74	62
44	44	38
10	25	14
30	30	33
27	32	17
29	34	29
214	241	201

Total cost of Services

Administration

General Synod
Board of Finance(See Schedule Note 6 page 22)
Pastoral Committee
Redundant Churches Committee
Registry & Legal Services
Miscellaneous
Gadd Consultancy Fee
Total cost of Administration

120	119	120
277	270	269
11	12	12
9	9	9
28	25	43
8	6	7
10	8	—
463	449	460

Cost of Support Services

1,280	1,262	1,251
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Income

Parish Shares
Investment Income
Trust Income:
 Ordination Training
 Tait Fund for Archbishop's Chaplain
 General Purposes
Church Commissioners Archdeacon's Grant
EIG Grant
Rents
Donations towards Ordination Training
Other income

1,104	1,102	1,084
68	69	62
17	17	15
6	7	6
2	4	2
8	8	8
29	40	34
17	23	23
16	11	13
13	12	4
1,280	1,293	1,251

**Surplus for the year transferred
to General Fund**

—	31	—
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3. Mission

University Chaplaincy
 less: Church Commissioner's grant

Agricultural Chaplaincy
Council for Social Responsibility
Association for the Deaf
Methodist Circuit(Sturry)
Christ Church School Ashford New School
Christ Church School Ashford Chaplaincy
Churches together in Kent
Hospital visitors
"Outlook" Newspaper
Growth & Opportunities Fund
Board of Mission

21	18	23
(2)	(2)	(2)
19	16	21
26	16	20
41	41	41
20	14	15
6	7	6
—	—	50
4	4	4
2	2	2
3	—	2
15	15	15
50	50	50
13	13	11
199	178	237

Income:

Parish Shares

Surplus for the year

transferred for Summary

199	199	237
—	21	—

CANTERBURY DIOCESAN BOARD OF FINANCE
DETAILED INCOME AND EXPENDITURE ACCOUNT SCHEDULES FOR THE YEAR
ENDED 31ST DECEMBER 1995

4. Transitional Subsidy Fund

Income:-

Church Commissioners Allocations
 Stipends Capital Fund income
 Other Stipends Fund income
 Investment income
 Restricted Trust Income
 Other income

1995 Budget £'000	1995 £'000	1994 (as restated) £'000
563	557	625
70	70	65
4	6	7
4	6	5
60	67	67
17	26	21
718	732	790

**Surplus for the year
 transferred to Ministry Fund**

732	790
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5. Summary of Income and Expenditure

Deficit on Ministry
 Surplus on Support Services
 Surplus on Mission
 Surplus on Transitional Subsidy

(52)	27
31	—
21	—
—	—
—	27
13	(47)

Surplus/(Deficit) on General Fund

Surplus/(Deficit) of income over expenditure for the year

13	(20)
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6. Schedule of Costs – Board of Finance Administration

Salaries and employment costs
 Postage
 Telephone
 Printing:
 Materials, Stationery and Publications
 Salaries and Employment costs
 Less: Donations towards printing costs
 Office Equipment Maintenance
 Depreciation
 Heat and Light
 Cleaning and Garden upkeep
 Repairs and Rates on Diocesan properties
 Insurance
 Professional Fees:
 Audit
 Other
 Bank Charges and overdraft interest
 Travelling expenses (including vehicle depreciation
 of £'4,1994 £'4)
 Incidentals

166	174	166
5	4	4
12	9	11
25	6	14
13	13	12
(7)	(1)	(1)
11	9	15
19	19	20
4	4	4
4	4	4
3	8	4
4	3	4
12	11	10
1	3	1
1	2	1
9	7	7
4	6	2

286	281	278
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Less:

Administration Fees:
 Appleton Trust
 Council for Social Responsibility

3	3	3
6	8	6
9	11	9

**Total cost of Board of Finance
 Administration (See page 21)**

277	270	269
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