

Company registration number 1043742
Charity registration number 263960

ALLCHURCHES TRUST LIMITED



A11 28/04/2016 #410
COMPANIES HOUSE

2015 ANNUAL REPORT

As the owner of an ethical and successful financial services group, our vision is to deliver steadily growing support to churches and other charities, for the greater good of all.

Allchurches Trust Limited

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Allchurches Trust Limited

Reference and administrative details

Board of trustees	Sir Philip Mawer DLitt, LLD, Hon FIA <i>Chairman</i> M. Arlington BSc (Hon), FRAgS M. A. Chamberlain OBE, Hon.LLD, FCA The Venerable A. J. Cooper BA, MA, CQSW S. C. Hudson BA (Hons), FCA Sir Laurie Magnus Bt C. Smith, Barrister The Rt. Revd. W. N. Stock BA, Dip. Theol. Ms D. P. Wilson OBE, BA (Hons), FCII
Relations and Grants Manager	P. M. Arundel
Company Secretary	Mrs R. J. Hall FCIS
Registered and Head Office	Beaufort House, Brunswick Road, Gloucester GL1 1JZ Tel: 01452 873 189
Company Registration Number	1043742
Charity Registration Number	263960
Auditor	Deloitte LLP, Chartered Accountants & Statutory Auditor, 2 New Street Square, London EC4A 3BZ
Bankers	National Westminster Bank plc, 21 Eastgate Street, Gloucester GL1 1NH
Solicitors	Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH
Investment Managers	EdenTree Investment Management Limited 24 Monument Street, London EC3R 8AJ

Allchurches Trust Limited

Chairman's Report

2015 was another outstanding year for Allchurches Trust. Helped by receipts totalling £20.0m from Ecclesiastical, our wholly owned subsidiary, we were able to give away £2.0m more in grants to churches, schools and charities than in 2014. The total of grants made - £11.7m as against £9.7m the previous year – was another record.

A Company to be Proud of

Ecclesiastical Insurance Office plc has transformed its performance over the last 3 years. In 2015, it achieved pre-tax profits of £53.6m and record net assets, despite difficult market conditions and severe floods in the UK at the end of the year. This excellent outcome meant that Ecclesiastical ended 2015 well on the way to achieving its target of giving £50m to good causes through Allchurches Trust over the three years 2014-16, a target it announced it had reached in March 2016, well ahead of its self-imposed deadline.

Together with our beneficiaries, we thank Ecclesiastical's staff, management and Board, and all its loyal customers, for their respective contributions to this very considerable achievement.

The Grants we Made

Later in this report you will find a detailed account of where the money we received in 2015 as a result of our ownership of Ecclesiastical went, along with some examples of the projects we supported. Among the highlights, we:

- Increased our block grants to Dioceses and Cathedrals by 2.5%, on top of a 5% increase last year.
- Made grants to Dioceses and Cathedrals (totalling £ 8.0m), and also distributed £3.7m (2014: £1.8m) in response to applications received directly from parishes, cathedrals, schools and charities. A breakdown of these grants is given on page 8.
- Committed over £400,000 to three “flagship projects”, one of them being the ‘Just Pray’ Campaign. This not only achieved very considerable publicity just before Christmas 2015 for the importance of Prayer but has also created a lasting digital prayer resource managed by the Church of England.
- Set aside £1.0m to help especially vulnerable churches to acquire roof alarms to guard against the theft of lead.
- Began to apply a systematic uplift to grants to give additional help to less well-off parishes, as determined by the Church Urban Fund deprivation index.

In addition we were able to add £10.0m to our expendable Endowment Fund, a policy we have adopted in order to diversify and enhance the Trust's asset base. With this contribution the Fund increased in size, after other movements, from £35.8m to £45.2m at the year end. We use the income from this fund to help us make more grants.

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Our unrestricted fund at 31 December 2015 stood at £14.5m, of which £8.0m was to cover grants expected to be made to Dioceses and Cathedrals in 2016, and £1.0m was to cover other programmes expected to be undertaken in that year.

Improving our Performance

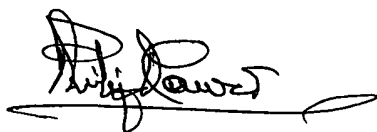
We continued our systematic review of our grants policies. One result of this was our decision to introduce new arrangements for grant-making in Canada and Ireland, building on the success of the more devolved approach already in place in Australia. These arrangements will come into effect in 2016.

We have also been busy improving our systems of governance and the resources which underpin the service we give to our beneficiaries. This new-look Annual Report and Accounts is the result both of our adoption of the new SORP (Statement of Recommended Practice) for Charities and of other steps we have taken to make these key documents easier to read and therefore more accessible. We have updated our articles of association and other constitutional documents. We have upgraded our website, as well as making other improvements to the way we communicate what we do to key interested parties. We employed a second grants officer, Peter Mojsa, covering the North of England and Scotland, and will acquire a third (covering the South East and East Anglia) early in 2016. And we have set in hand recruitment to a new post of executive Director of the charity, which will become effective on the expected retirement of our much-respected Relations and Grants Manager, Philip Arundel, in the spring of 2016.

Ensuring Continued Effective Leadership

The Board of the Trust welcomed the arrival of a new member, Stephen Hudson, early in 2016. Stephen is the experienced Finance Director of another significant charity as well as an active parishioner in the Derby Diocese. Later in the year we shall bid farewell to Michael Chamberlain, one of our longest serving trustees and a much valued colleague. That, however, is a subject for next year's report.

More immediately, I cannot end this introduction to our Report without paying a very warm tribute to Will Samuel and David Christie, respectively Chairman and Deputy Chairman of Ecclesiastical, who stood down from those roles in March 2016. Both have at different times served on the Board of Allchurches and Ecclesiastical owes much of its present success to their sustained efforts. On behalf of Allchurches, I can only say thank you to them both and wish them well as a new chapter opens for each of them, and for Ecclesiastical. My colleagues and I also welcome Edward Creasy as Will Samuel's successor and wish him well in the demanding role he is now taking on. Together we look forward with confidence to the years ahead.



Sir Philip Mawer, Chairman

25 April 2016

Allchurches Trust Limited

Strategic Report

Our purposes and activities

The purposes of the charity are:

- To promote the Christian religion; and
- To contribute to the funds of any charitable institutions, associations, funds or objects and to carry out any charitable purpose.

The vision that shapes our annual activities remains the promotion of the Christian faith through supporting the mission and work of Dioceses and Cathedrals and allocating our charitable giving in response to requests from Anglican churches, churches of other denominations, Christian communities and other charitable organisations.

The charity also has the general aim of assisting in areas of greatest need and encouraging the training and development of lay and ordained people as well as helping projects enabling evangelism and church growth.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public Benefit: Running a Charity (PB2)'. The charity's income is derived from the gift aid it receives from its subsidiary company, Ecclesiastical Insurance Office plc ("Ecclesiastical"), and the investment income generated from the Capital Endowment Fund.

The objectives we have identified to help achieve the charity's aims in 2016 are to:

- Recruit and induct an executive 'Director' to lead the development of the Charity's strategy.
- Develop, in discussion with Ecclesiastical, a longer-term Communications Strategy for the charity and agree a plan for its implementation, building on the interim arrangements already agreed by the Board.
- Implement the outcome of the Board's 2015 review of our charitable giving policies, keeping them under consideration as necessary, informed by the changing expectations and priorities of our potential beneficiaries.
- Consider the implications for the charity of the Ecclesiastical Board's business plan for 2016-2018, in discussion with the company as necessary.
- Implement arrangements to assist the Methodist Insurance Company to distribute grants to Methodist beneficiaries.
- Continue to strengthen the effectiveness of Allchurches Trust and its Board in meeting the needs of beneficiaries.

To achieve these objectives a detailed programme of activities has been prepared, including regular updates to our website, the induction of a Grants Officer to cover the South East of England, the launch of new grants programmes, ongoing discussions with our major beneficiaries and the induction of the newly appointed executive 'director'.

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Achievements and Performance

We had a successful year during 2015 and made significant progress in meeting the objectives we set to further the charity's aims.

The objectives we set during 2015 were to:

- Begin a review of our charitable giving policies, informed by the changing expectations and priorities of our major beneficiaries, not least the Church of England.
- Build the expendable Capital Endowment Fund over the three years 2015-17 to make prudent provision to ensure a sustainable flow of funds to our beneficiaries, given the potentially fluctuating nature of receipts from Ecclesiastical.
- Increase the amount of charitable giving to beneficiaries.
- Strengthen our links with beneficiaries.
- Provide funding for a number of flagship projects.

Our performance against each objective is set out below.

Reviewing our charitable giving policies

The review of our charitable giving policies began in 2014. The review considered the different charitable giving programmes with a view to making them even more effective and relevant to the needs of beneficiaries. After careful consideration of the needs of different beneficiaries of the charity, the Board agreed new charitable giving policies which are available to view on our website.

Building the expendable Capital Endowment Fund

With the additional funds received from Ecclesiastical, the trustees agreed to set aside £5m in each of the three years 2015-17 towards building up the charity's expendable Capital Endowment Fund. Underlying this decision was the need to make prudent provision to ensure a sustainable flow of funds to our beneficiaries, given the potentially fluctuating nature of receipts from Ecclesiastical. The longer-term aim of the charity is to change the proportion of its investments held between its investment in its trading subsidiaries and the Capital Endowment Fund from the current position of 90:10 to be an 80:20 split. In line with its objective, the Board transferred £5m to the Capital Endowment Fund in February 2015 and an additional £5m in December 2015.

Increasing the amount of charitable giving available to beneficiaries

With Ecclesiastical well on track to achieve its goal of donating £50m to the charity over three years, the Board of Allchurches Trust Limited considered carefully how it would use the additional funds at its disposal. After allocating a proportion to build the expendable Capital Endowment Fund, the Board agreed to increase the amount available for charitable giving to beneficiaries. As part of the charitable giving policy review, the levels of charitable giving to applicants were reviewed and the individual amounts given have been increased.

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In addition, the Board agreed that the income from the Capital Endowment Fund would be made available for charitable giving to beneficiaries. This has increased the amount available in 2015 for charitable giving to beneficiaries by £0.8m.

During 2015, the charity also explored whether it should undertake legacy fund-raising to diversify its sources of income. This matter was considered by the Board at its meeting in December and will be reviewed again in due course.

Strengthening links with our beneficiaries

We have worked hard to improve relations and communications with our beneficiaries, and potential applicants.

- A new online charitable giving application system was introduced in 2014. Over 90% of applications to the charity are now made in this way and we will continue to ensure that this works smoothly.
- We have explored, with the aid of an external consultancy, how we can communicate more effectively with our various stakeholders, including Ecclesiastical staff.
- Our website was reviewed to ensure it is easy for our beneficiaries to use.
- Each of the six regional conferences of Church of England Archdeacons and their national conference were addressed by a representative of the Trust, as was a meeting of all the Deans of Church of England cathedrals. These events have been helpful not least in enabling us to gather feedback on how we can further improve the effectiveness of our charitable giving programmes. The Chairman also visited Ecclesiastical's branches in Australia and Canada and met organisations which have benefited from grants in both countries.

Funding flagship projects

We discussed with Church House, Westminster the funding of three projects of strategic value to the Church of England. As a result we decided to support three key projects, including help for the Church's engagement with digital media and with young people in schools.

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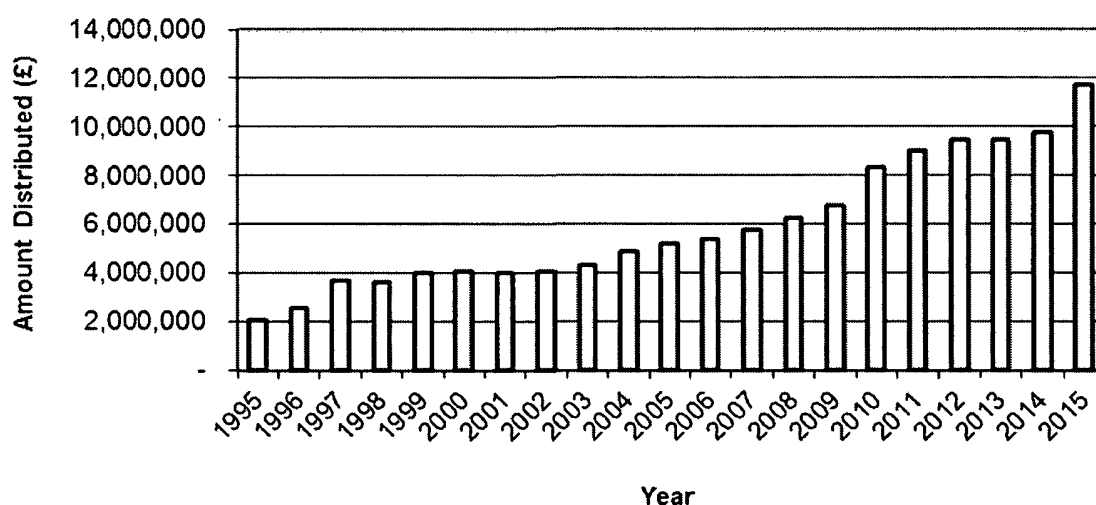
Charitable Giving

We were able to increase our financial support to the Church and other charitable institutions, with total charitable giving of £11.7m (2014: £9.7m).

The charitable giving of the charity is shown in its statement of financial activities on page 36.

An analysis of the charitable giving is shown below and in note 6 to the financial statements.

We have steadily increased charitable giving to Anglican dioceses, cathedrals and parishes, and to other churches and charitable organisations since 1972, distributing £81.9m over the last 10 years.



Delivering public benefit with some examples

Some examples of recent charitable giving are listed below. These highlight some of the charity's achievements and performance. Our beneficiaries have provided much positive feedback on the value and impact of the money we give.

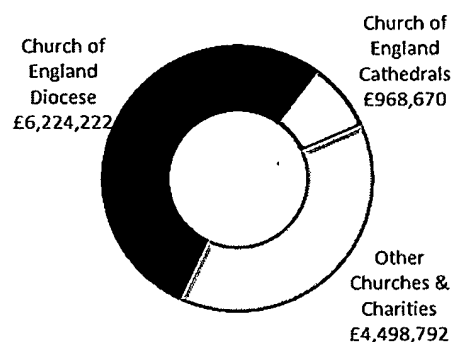
The £11.7m we gave away to good causes in 2015 breaks down like this:

	Number of grants	How much £
Church of England Dioceses	42	£6,224,222
Church of England Cathedrals	45	£968,670
Large Grants, above £3,000	221	£2,241,935
Small Grants, up to £3,000	892	£1,135,550
Special and Flagship Projects	21	£1,121,307
Total Grants	1,221	£11,691,684

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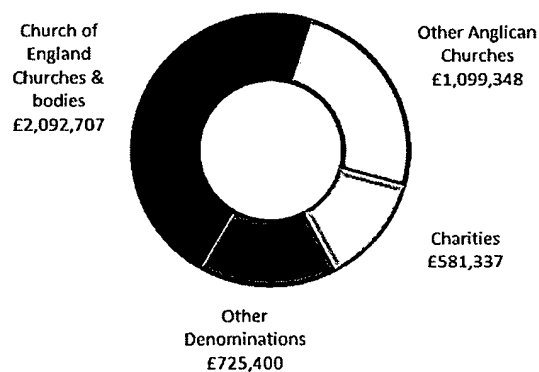
Grants to Church of England Dioceses and Cathedrals totalling £7,192,892 were used in many different ways including:

- Supporting the deployment of clergy, particularly in areas of greatest need
- Funding specific mission initiatives, for example youth and children's work
- Training of lay and ordained people, including pioneer ministers
- Resourcing and developing music in cathedrals
- Repairs and maintenance of cathedral fabric
- Educational outreach and programmes in cathedrals



Grants to Church of England parishes and bodies, churches of other denominations and charities totalling £4,498,792 were made and used for a variety of projects including:

- Building and restoration works
- Church community initiatives
- School projects
- Projects helping people in need



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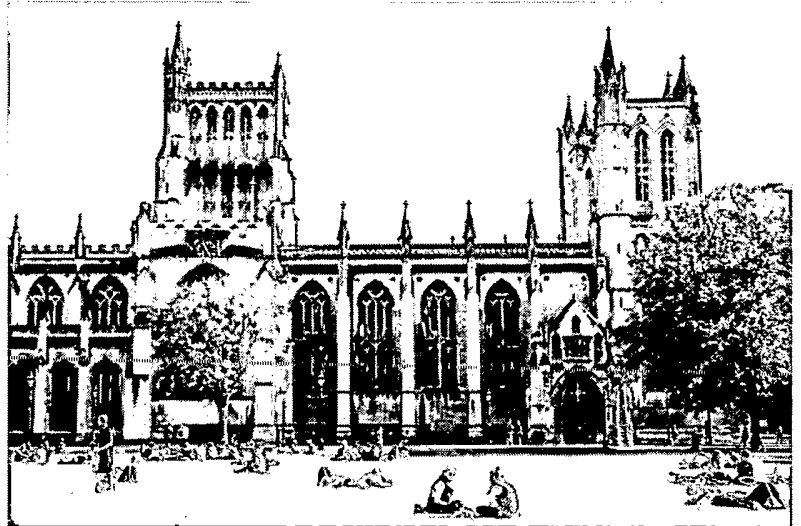
Helping Bristol Cathedral provide a truly warm welcome

Bristol Cathedral's fabric and facilities were holding back its vision for community outreach.

The boiler was old and not working well, the toilet facilities were no longer fit for purpose and the back offices urgently needed better fire protection.

A grant from Allchurches Trust helped Bristol Cathedral to carry out much-needed refurbishment work. The back office now has fire protection and a fire escape, and the washroom facilities have been upgraded, with five new ladies' toilets and a refurbished gents'.

Now that the basics are in place, Bristol Cathedral aims to harness some of the creative talent in Bristol to enhance the visitor experience.



A multipurpose building in a multi-cultural area

St John's Bowling is on the eastern side of Bradford, where the population is a vibrant mix of different cultures, including many asylum seekers. Poverty levels in the area are some of the highest in the country.

Until recently the church hall at St John's served as an important meeting space for the community, but it will soon be used as a space for a full-time nursery.

To create a new, flexible meeting space, the 400-strong congregation at St John's is looking to renovate the church itself. Building works will also improve disabled access to the church.

We're delighted to support this lively congregation in their next steps to create a unique and vibrant space for Bradford. The renovation will enable St John's to offer everything from multi-faith parent toddler groups to healthy living seminars, and from support for the elderly to keep fit classes.

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Reinstating a new community hall

Situated in the Thames Gateway, most of the accommodation in the district of Erith is social housing, and average household incomes are low. A community hall for local groups is urgently needed, yet the old church hall at St John the Baptist Church is in a bad state of repair.

Through grants and loans, the Diocese of Rochester has helped the church purchase a nearby industrial unit and it is now being transformed into a new community centre. Allchurches Trust has made a grant towards the project, and work has already begun. Many local groups are planning to use the new hall, and the first floor will provide a large meeting space, with a kitchen and toilets.

The ground floor will become the new home of Re-Instate, a charity that supports disadvantaged people such as those with mental illnesses and learning difficulties, helping them live independent lives. The charity was originally set up in the 1940's by the then Curate of St John's to provide support for former servicemen suffering from shellshock.

Across the diocese there is a real feeling that the new hall will release the potential within St John's to reach out to the wider community. We're pleased to be involved.



A food bank is bringing more than nutrition to Reddish

Reddish is a borough in the north of Stockport. The community is facing hard times, and statistics show there are growing pockets of deprivation, with a number of families living in food poverty.



Now the Manchester Diocese is using funding from an Allchurches Trust grant to bring resources, hope and opportunity to people in the community. The Diocese has set up 'Re:dish', a charity that provides no cost and low cost food for families in the area, using local expertise to encourage healthy nutrition.

The charity isn't just helping to improve people's health, it is also reconnecting people to networks of help and support. People are learning how to cope with debt and take control of their lives to overcome chaotic living.

One of the Manchester Diocese's mission goals is to work with and serve communities, and the grant from Allchurches Trust is helping them do just that.

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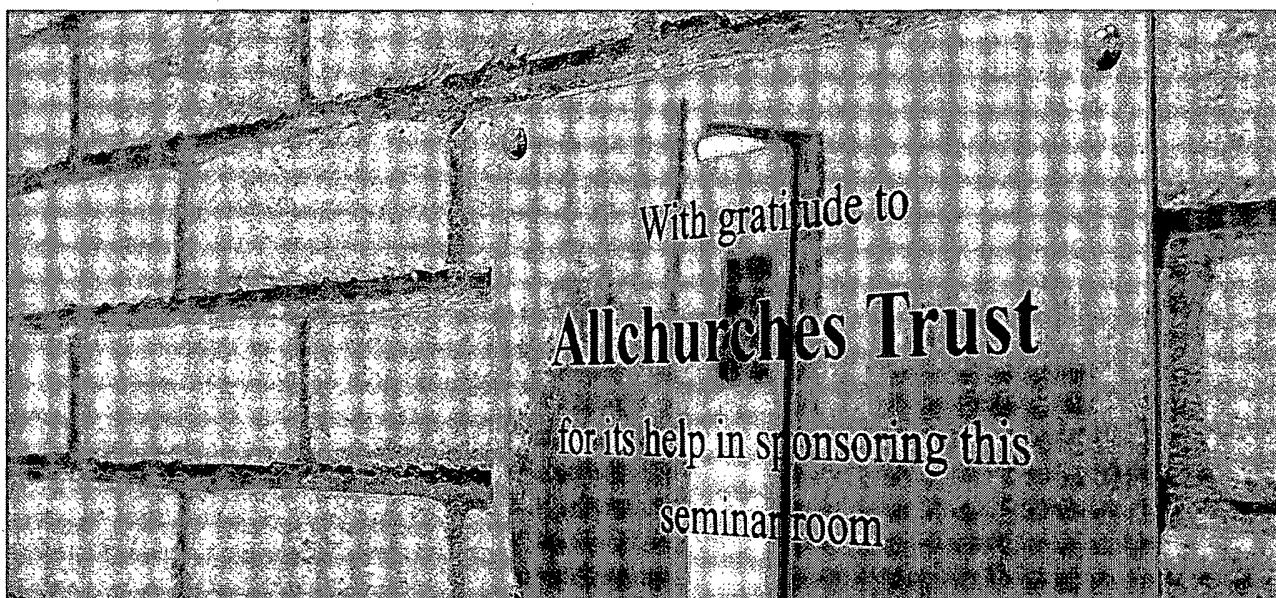
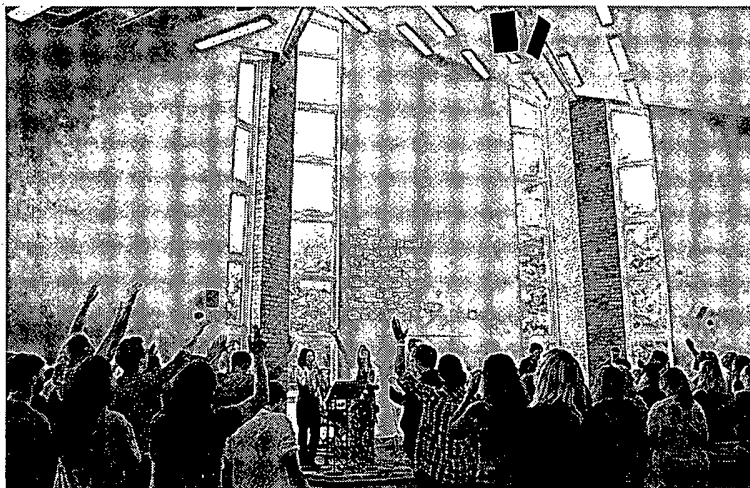
Helping Moorlands build tomorrow today

Situated close to Christchurch in Dorset, Moorlands College has trained over 3,000 graduates. The emphasis is on 'Applied Theology,' which means moving from theory to practice. Students become people of integrity who make an impact in their community, for instance going on to work with Social Services or helping with the rehabilitation of ex-offenders.

By 2014 Moorlands' buildings and facilities had become stretched to the limit. To attract students and maintain its high standards of education, Moorlands needed a new chapel, a larger lecture room and new dining facilities.

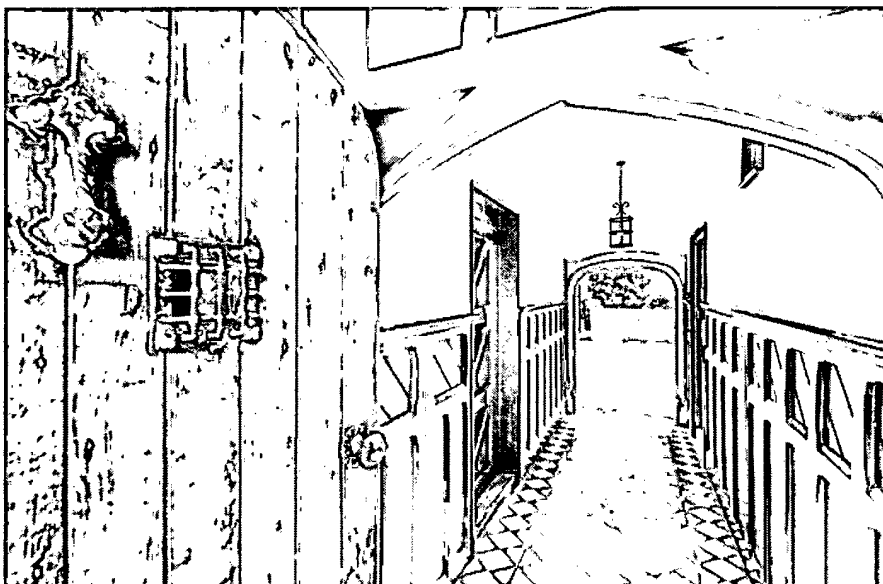
Supporting Christian projects that benefit young people is very close to our heart, and we were happy to make a grant towards the development. The building work was completed in Autumn 2015, and the college now has new kitchen and dining room facilities, as well as a new reception area and larger lecture theatre.

With a light, attractive Chapel and multi-use facilities, the development is an inspiring place. We are proud to say that one of the seminar rooms is badged as being sponsored by Allchurches Trust Limited.



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Restoring a national treasure



The Landmark Trust is a charity that restores historic buildings across the country, making them available for holidaymakers to rent out and experience.

Thanks to a timely legacy, the Landmark Trust was able to purchase St Edward's Presbytery in Ramsgate when it came on the market. This historic building was part of the architect Augustus Pugin's vision for a thriving Catholic

community, but it had fallen into disrepair.

The Landmark Trust approached Allchurches Trust for a grant to carry out essential repairs. Not only would a renovated Presbytery take pride of place next to the thriving church of St Augustine's, it would provide much-needed employment in a deprived area.

We made a grant towards the restoration work, which involved reusing original materials wherever possible. The restoration of the Presbytery means that the whole site is now much as Pugin first intended. "It's brought a historic building back into use," explains Amy Taylor, Media Officer for the Landmark Trust, "and it will give a real boost to the local economy."

From a small building comes a big vision

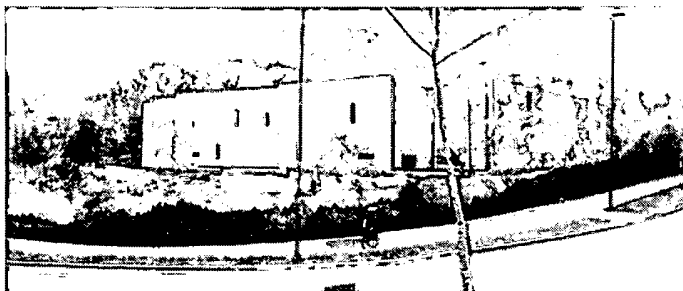
St Madoes and Kinfauns Parish Church in Perthshire was built as a preaching box in 1799, but these days it is just too small for all the work the busy congregation does. The church lacks a kitchen or lavatory, and access is extremely difficult as the building is down an unmade narrow lane.

After much prayer and public consultation, the congregation decided they needed a new building that could serve the whole community. The new building will be on the main road, with much easier access to the village, and will serve as a worship space as well as a community hall.

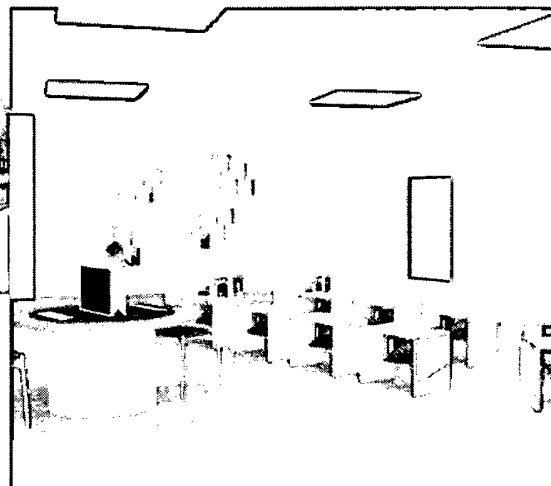
Allchurches Trust was very impressed with the community work that St Madoes does, with pastoral visits, a weekly soup lunch, dementia care support groups and more. The new space will also make a world of difference to people from the disabled housing project in the village, as it will be so much easier to access and use.

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The Well that keeps on giving



Two Christian schools in Bath have got together to create a much-needed further education facility in Bath. The New Sixth is a space where students can come and meet each other, with facilities including a café and auditorium.



The space is also home for The Well, a pastoral centre that gives students a space they can call their own. Students of any faith can meet in their free time, and school chaplains can use the facility for mentoring and support.

At Allchurches Trust, we were very impressed by how the project was bringing together two schools of different denominations, and by their vision for The Well. We have made a grant towards the project, to help the parents and students who have been passionately fundraising to make their dream a reality.

A home for the homeless

Despite its image as a well-to-do seaside location, Clacton-on-Sea is a town with a number of social problems. Homelessness is rife.

Trinity with Rush Green Methodist Church is doing all it can to help the homeless. The church helps with the nightly soup run, and offers tea and toast in the church hall each Wednesday morning, as well as a Grub Club providing people with a hot meal once a week.

So many people are coming along to benefit from the food, support and shelter, that Trinity is looking to expand this part of its ministry. Allchurches Trust is supporting them with a grant to help them create a community café that will be open every day. The planned refurbishments will create a useful, flexible space and an even warmer welcome to people who need support.

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Timely help for West Yorkshire Community Chaplaincy Project

Spending time in prison can significantly diminish a person's self-esteem, and they can face prejudice in the outside world. West Yorkshire Community Chaplaincy Project (WYCCP) gives support to ex-offenders, helping them find a place in society once more.

The support includes practical help such as claiming benefits, accessing a doctor and looking for work, as well as advice to help men make positive choices and lead a crime-free life.

The project, which works with around 300 men a year, is clearly successful as 75% of the men that WYCCP worked with are still in the community one year on from release.

At the beginning of 2015, the foundation was facing a significant cash flow problem. They approached Allchurches Trust for a grant, and we were happy to help them continue their life-changing work. Since the grant the project has managed to come through this difficult period.

That's great news for ex-offenders like Eddie, who says "I truly believe that the more people there are that can do what WYCCP do for ex-offenders like me, a lot less crime would be committed."



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Key Performance Indicators

Financial

- Incoming resources

The amount received from Ecclesiastical in the form of gift aid payments.

The level of gift aid that we expect to receive from Ecclesiastical is set over a three-year period. Ecclesiastical has undertaken to donate £50m to charity, including gift aid payments made to Allchurches Trust, over the three year period from 2014-2016.

During 2015, we received a gift aid payment of £20.0m from Ecclesiastical, taking the total received in 2014 and 2015 to £43.5m.

- Charitable giving

The total charitable giving awarded by the charity.

It is our policy to try to ensure stability for beneficiaries and, where possible, steadily to increase the overall levels of charitable giving awarded. Because of the fluctuating nature of our income, we do not set a specific target by which charitable giving will be increased each year.

During 2015, total charitable giving awarded rose by 20%.

- Diversification of assets

The proportion of the Capital Endowment Fund as a percentage of the charity's total assets.

It is the medium term aim of the charity to grow the Capital Endowment Fund to 20% of the charity's total assets. This diversification in assets will help us ensure that a sustainable flow of funds is available for charitable giving.

During 2015, transfers of £10.0m were made into the Capital Endowment Fund. At the end of 2015 the Capital Endowment Fund represented 10% of the charity's total assets.

Non-Financial

- Diversity of charitable giving

The diversity of the charitable giving awarded.

The trustees want to ensure that the charity's giving is geographically and denominationally spread, varies in size according to the scale and nature of each project, and is used to support a range of projects in line with its objects. No specific targets are set.

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The varying size of individual grants made is assessed by the number of donations made in the following ranges: below £3,000; and above £3,000.

The number of donations made in 2015 in these ranges is presented in the table on page 8 of the Strategic Report.

During the year, an additional grants officer was appointed in the North of the country which has assisted the charity in improving its geographical reach. In addition, an increasing presence has been visible in Ireland.

- Beneficiary satisfaction

The number of complaints received as a percentage of total applicants.

The trustees want to ensure that beneficiaries remain satisfied in their dealings with the charity and that complaints received remain below 1% of applicants.

The charity prides itself on maintaining very high levels of satisfaction from its beneficiaries particularly in relation to their experience when applying for charitable giving. No complaints have been received from beneficiaries during the year.

- Promoting awareness of the charity

The number of presentations made to beneficiaries and stakeholders of the charity to promote awareness of what the charity does and the nature of the projects it supports.

During 2015, 26 presentations were given to a variety of groups including beneficiaries.

- Improving the experience of potential beneficiaries

Development of the charity's website as a vehicle for engaging with potential beneficiaries.

During 2015, we have improved the experience of beneficiaries in their dealings with the charity by enabling applications to be made online. Improvements have also been made to the charity's website to enhance the user experience and further work is planned during 2016.

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Financial Review

Parent charity

The parent statement of financial activities is shown on page 36.

The principal funding source for the charity is the receipt of gift aid payments from its trading subsidiary, Ecclesiastical Insurance Office plc. The gift aid that the charity receives from Ecclesiastical is used to finance its regular charitable giving to Dioceses and Cathedrals and to finance the specific requests for charitable giving received from churches and charitable organisations. Further information on how the charity intends to use the gift aid provided by Ecclesiastical is included in the Strategic Report on page 5.

During 2015, the charity received gift aid from Ecclesiastical of £20.0m (2014: £23.5m) after another year of strong and consistent results reflecting Ecclesiastical's ongoing commitment to donate £50m to charity over three years.

Ecclesiastical continues to secure an excellent rate of return in terms of both capital and revenue for its owner. Details of its financial performance can be found in the Ecclesiastical Insurance Office's own Report and Accounts, a copy of which can be obtained from the registered office on page 2. The company has good prospects for continued success.

In addition to its investment in its ownership of Ecclesiastical, the charity has a separate Capital Endowment Fund. Dividend and interest income on the Capital Endowment Fund investment portfolio increased to £1.6m (2014: £1.4m).

The unrestricted fund increased by £8.1m in the year to £387.8m (restated 2014: increased by £1.4m to £379.7m). The unrestricted fund includes a revaluation reserve of £373.2m (restated 2014: £364.0m) relating to the charity's investment in subsidiaries, which is not available for charitable purposes. Net incoming resources from charitable activities of £8.1m, and a £9.2m increase in the carrying value of investments in subsidiary undertakings after payment of the £20.0m gift aid to the charity, were offset by a £9.2m net transfer to the Capital Endowment Fund. The Capital Endowment Fund increased by £9.4m in the year to £45.2m (2014: increased by £2.5m to £35.8m) as a result of the Board's objective to build the Capital Endowment Fund to ensure sustainability of the charity's charitable giving. At the year end, total charity funds were £433.0m (restated 2014: £415.5m). The charity continues to have adequate available resources to continue its charitable activities.

No significant change in activities occurred in the year or to the date of this report.

Trading subsidiaries

The principal activities of the trading subsidiaries throughout and at the end of the year remain the provision of general insurance and a range of financial services in the United Kingdom and overseas. A list of these undertakings is given in note 41.

During the year, trading subsidiaries directly distributed £0.6m (2014: £0.5m) for charitable purposes.

The charity's trading subsidiaries reported net income of £48.7m (restated 2014: net income of £43.9m). General business underwriting profits improved despite an active year for property claims

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and December's storm and flood events. The performance of the liability book has continued to improve and produced strong profits, enhancing the overall positive underwriting performance for the year.

Investment returns were in line with the prior year, despite falling global equity markets and a reduction in the capital value of fixed interest investments due to rising yields. Ecclesiastical has a sound capital base, which allows it to pursue a long-term strategy while being cognisant of short-term volatility.

There is no fund or subsidiary that is materially in deficit at the end of the year.

Details of the key performance indicators for Ecclesiastical Insurance Office plc can be found in the Strategic Report of its accounts. Copies of these accounts are available from the registered office, as shown on page 2, and are provided to members of the charity.

Group position

The consolidated balance sheet is shown on page 52.

At the year end date, total group net assets were £539.4m (restated 2014: £521.9m).

The group operates a number of defined benefit pension schemes that are all closed to new entrants. At the year end the group recognised a net pension asset of £8.6m (2014: £17.8m). The cost of pension benefits and the present value of pension benefit liabilities depend on factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the profitability of the trading subsidiaries and may affect future funding of the pension schemes.

Factors affecting future financial position and performance

The principal factor affecting the future position and performance of the charity is the performance of its trading subsidiaries, which are the principal source of funding for its charitable activities. During 2016, the trustees will consider the implications for the charity of Ecclesiastical's 2016-2018 business plans.

Details of the principal risks and uncertainties to which the charity is exposed are detailed on page 25 of this report.

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Investments

Investment objective and policy

Full details of the charity's investments in subsidiary and associate undertakings are disclosed in note 41.

The charity has established a Capital Endowment Fund to assist in diversifying its asset base and in so doing to spread the risk to which it is exposed because the great bulk of its assets lie in its ownership of a financial services group. Insurance is a risk business and the income from it can vary considerably over time. Gradually building the size of the Capital Endowment Fund enables the charity to grow a separate income stream, for the benefit of present and future generations.

The principal investment objective in relation to the charity's Capital Endowment Fund is to maximise long-term investment returns through a diversified portfolio with an acceptable risk profile. The target asset weighting for invested funds is:

Equities	60% - 80%
Fixed interest securities	10% - 30%
Property	0% - 10%
Cash	0% - 20%
Unquoted investments	0% - 5%

The Board regularly reviews the appropriateness of the investment strategy. The Board's principal obligation is to promote and protect the financial interests of the charity and of its beneficiaries. The Capital Endowment Fund's performance will normally be reviewed on an annual basis against an agreed benchmark provided by a suitable external performance service.

The trustees have adopted as part of the investment policy an 'absence of harm' approach, and seek to avoid investing in companies whose activities may be inconsistent with the values of the charity's beneficiaries or supporters. These have been determined as companies 'wholly or mainly' involved in the manufacture or production of tobacco, strategic arms and weaponry and pornographic media. The trustees believe this provides an appropriate balance between ethical considerations and fiduciary responsibility. Social investment does not form a material part of the Capital Endowment Fund's investment activity. Any social investments must fully meet the financial and risk objectives and requirements of the Fund.

Investment environment

Global investment markets endured a volatile twelve months, with sentiment dominated by central bank monetary stimulus, concern over the impact of a Chinese economic slowdown on global growth, a debt crisis in Greece and continued commodity price weakness. As a result, the investment environment was one that proved broadly more favourable for global bonds, which outperformed risk assets such as equities over the period. The disconnect between equity market returns in developed and emerging economies also continued, with the former significantly outperforming the latter and amid a benign macroeconomic backdrop still clouded with uncertainty, investors favoured growth equities over value.

Regional asset class returns broadly followed the gradual divergence in monetary policies among the world's central banks and favoured those markets where stimulus measures were loosest. The year saw both the European Central Bank (ECB) and the Bank of Japan (BoJ) commit to additional

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monetary easing which boosted asset prices in their related markets, while the Federal Reserve began the much-anticipated process of normalising interest rates, weighing on US asset prices.

The UK

UK equities fell over the twelve month period, with the FTSE All-Share Index registering a loss of 2.5%. Once again, it was the market's high exposure to commodity-associated industries that primarily weighed on returns, as chronic oversupply, weak global demand and a strong dollar continued to squeeze natural resource prices lower. Given its much higher weighting to businesses operating in these pressured industries, the FTSE 100 Index declined by 4.9%, masking the strength of the more domestically focused FTSE 250 Mid-Cap Index and FTSE Small Cap Index, which rallied by 8.4% and 6.2% respectively.

UK government bonds fared better than equities over the twelve month period, with the FTSE Government All-Stocks Index returning 0.6% and outperforming UK investment grade corporate bonds. The yield on the ten-year UK gilt ended 2015 at 1.96%, twenty-five basis points higher than where it stood at the beginning of the year. However, this limited move overshadowed an increased level of volatility over the period, in which the yield on the ten-year gilt touched an historic low of 1.4%.

Outlook

Macroeconomic and geopolitical factors look certain to play a key role in investors' thinking over the twelve months ahead and the outlook appears as mixed as it was six months ago. 2016 is likely to be another year of divergent monetary policy, with the Federal Reserve continuing to normalise monetary policy and the Bank of England likely to follow suit, albeit at a modest pace given the subdued inflation expectations globally at present, while the European Central Bank, the Bank of Japan and the People's Bank of China remain firmly in easing mode. Low commodity prices should also support a global recovery and overall, the combined effect should be a supportive environment for global equities. Further potential sources of volatility within financial markets include the UK referendum on its membership in the European Union and the US presidential election.

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Investment performance

On a total asset basis, the charity's Capital Endowment Fund delivered a return of 1.6% over the twelve month period, compared to its scheme specific benchmark return of 4.1%. The primary reason for the underperformance was the Fund's weak performance in overseas equities.

	Capital Endowment Fund (%)	Benchmark Return (%)	Benchmark
UK Equities	2.3	1.0	FTSE All-Share
Overseas Equities	-1.0	4.7	FTSE World ex UK
UK Bonds	3.6	0.6	FTSE Gilts All Stocks
Index Linked Bonds	-0.9	-1.0	FTSE Gilts IL
Cash	2.1	0.3	7 day LIBID
Total excluding Amity Funds	1.5	4.1	WM Charity Monitor
Amity Balanced	2.5	2.6	50% FTSE World/ 50% FTSE All Stock
Amity Global Equity	1.8	4.3	FTSE World TR
Total	1.6	4.1	WM Charity Monitor

In UK Equities, the Fund produced a total return of 2.3%, outperforming the FTSE All-Share Index total return of 1.0%. This outperformance was primarily driven by the positive impact of the Fund's underweight position in commodity related sectors over a year in which oil and metal prices fell sharply.

The Overseas Equities portfolio generated a total return of -1.0% compared to the FTSE World ex-UK Index total return of 4.7%. The underperformance was primarily due to its overweight position to the Asian markets which performed poorly as the Chinese economy showed signs of slowing and the domestic stock market collapsed, undermining confidence in the ability of the Chinese government to control the economy. The Fund's exposure to Asia also suffered from a relatively high exposure to commodity related stocks. The Fund was also underweight towards the US market which generated strong returns over the year.

The Fund's UK bond portfolio produced a robust total return of 3.6% over the year outperforming the FTSE Gilts All-Stock Index, which delivered total returns of 0.6%. The outperformance relative to the index was primarily due to strong returns from the corporate bond portfolio which provided a good pick up in yield compared to the gilt market, with the holdings in building society permanent interest bearing securities performing particularly well.

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Despite the relative weakness in 2015, the investment performance of the Fund continues to compare very favourably with the WM Charity Monitor over the long-term. Over the last five years the Fund has produced an annualised compound return of 7.5% at a total asset level compared to the benchmark total return of 6.8%. In UK Equities and Overseas Equities, the long-term returns surpass the performance of the WM Charity Monitor.

	3 Years (%pa)		5 years (%pa)		Benchmark
	Capital Endowment Fund (%)	Benchmark (%)	Capital Endowment Fund (%)	Benchmark (%)	
UK Equities	11.1	7.3	10.8	6.0	FTSE All-Share
Overseas Equity	13.0	13.0	8.2	8.7	FTSE World ex UK
UK Bonds	3.5	3.2	5.7	5.5	FTSE Gilts All Stocks
Cash	1.3	0.3	0.8	0.4	7 day LIBID
Total excluding Amity Funds	9.4	8.5	8.4	6.8	WM Charity Monitor
Amity Balanced	7.3	7.9	n/a	n/a	50% FTSE World/ 50% FTSE All Stock
Amity Global Equity	8.0	12.4	n/a	n/a	FTSE World TR
Total	8.8	8.5	7.5	6.8	WM Charity Monitor

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Reserves policy

The trustees have an approved reserves policy which is reviewed at least annually. The trustees do not designate the funds that the charity receives.

It is the intention of the trustees to maintain the stability of the annual charitable giving the charity makes to Dioceses and Cathedrals. As the charity's principal income is derived from a cyclical industry, the trustees need to consider the potential volatility in income and the desire to have stable charitable giving when setting an appropriate reserves policy. The charity's management of these risks is outlined in the 'principal risks and uncertainties' section on page 25.

In order to provide this stability it is the trustees' policy to retain in reserve, cash funds, including long-term cash deposits with original maturities over 3 months, at a level at least equivalent to the amount allocated for charitable giving to Dioceses and Cathedrals in the previous financial year. In addition, reserves are held where the charity has committed to longer-term funding for specific projects and for charitable giving which is contingent upon the satisfaction of agreed conditions. Funds are also held in reserve where the trustees are actively considering the development of new grant programmes.

Where year end reserves held are significantly in excess of the requirements outlined above, the trustees take corrective action to reduce the level of reserves held. This action may include, but is not limited to, any of the following:

- Actively seeking to fund further projects that align with the charity's purposes;
- Increasing the level of donations to existing beneficiaries in future periods; or
- Transferring cash to the Capital Endowment Fund in line with the charity's strategic objective to diversify its assets.

The purpose of the Capital Endowment Fund and the charity's investment objectives and policy are outlined on page 20.

In order to comply with the reserves policy, the charity is required to hold cash funds, including long-term cash deposits, of at least £8.7m in the unrestricted fund at 31 December 2015.

At the end of the year, the charity had cash reserves of £15.1m in the unrestricted fund. £9.6m has been committed for charitable giving or will become payable in the future subject to the satisfaction of agreed conditions. Uncommitted reserves in the unrestricted fund total £5.5m at the end of the year. The committed funds and contingent charitable giving are not individually material.

Late in 2015, the trustees agreed in principle to develop one or more thematic programmes to be launched in 2016, the details of which are being worked up. They also agreed to stand ready to consider requests for potential new flagship projects.

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Principal risks and uncertainties

The major risks to which the charity is exposed are reviewed by the Board with the aid of external advisers. Due to the nature of certain risks it is not possible or cost effective to fully mitigate all risks.

The principal risks identified are detailed below together with a summary of the key mitigants.

Principal Risks	Why They Are Important	How They Are Managed
<p>Market risks</p> <p>The investment risks relate to underperformance of the investments of the charity which adversely impacts its ability to undertake charitable giving.</p>	<p>A key objective of the charity is to contribute to the funds of any charitable institution, association, fund or object and to carry out any charitable purpose. Poor performance of the investments would result in reduced funds available to fulfil this objective.</p> <p>The key investments of the charity are Ecclesiastical Insurance Group (EIG) and a Capital Endowment Fund. Ecclesiastical's main business is general insurance which is historically volatile and therefore can result in a changeable income stream. The principal business risks associated with Ecclesiastical can be found in the Risk Management section of the Ecclesiastical Insurance Office plc annual report and accounts which are available from the registered office, as shown on page 2.</p>	<p>The charity has established an Investment Committee to set investment criteria and to oversee the performance of the investment portfolio. Limits have been established for the range of investments held within the Capital Endowment Fund to ensure a diversified portfolio with an acceptable risk profile. The Board has also appointed a fund manager (whose appointment is reviewed regularly), who meets with the Chair of the Investment Committee on a quarterly basis.</p> <p>A formal policy exists between the charity and EIG which specifies how the level of the gift aid payment is determined and this is supplemented by regular reporting from EIG on its performance. In addition, two of the trustees of the charity are on the Board of EIG. Please see further details under the Reserves Policy section which details the charity's policy to maintain the stability of charitable giving to its regular beneficiaries.</p> <p><i>The risk has reduced slightly during 2015 due to the improvement in the business performance of the Ecclesiastical Insurance Group.</i></p>

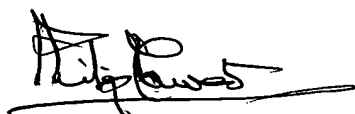
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Principal Risks	Why They Are Important	How They Are Managed
Regulatory Risk Public censure or regulatory intervention as a consequence of failing to comply with relevant legislation, policies etc ultimately leading to loss of public confidence in the charity's charitable status and potential regulatory censure.	As a charity, the activities of Allchurches Trust are closely governed by a myriad of legislation that must be complied with. Alongside existing legislation there continue to be frequent and regular regulatory and legislative developments which must be closely monitored and acted upon in a timely manner. There could be significant cost and reputational implications if such changes are not identified, assessed and complied with in a timely manner.	The charity has a dedicated resource to provide regular updates on relevant legislative or regulatory items to the Board and there is also a formal training programme for all trustees. External expertise through solicitors and auditors among others is also used. <i>The level of this risk has remained the same over the course of the year.</i>
Reputation Risk The risk of damage to the reputation of the charity through the actions of any persons associated with the charity or sector scandals resulting in a loss of trust from the persons and groups that the charity is looking to assist.	The reputation of the charity is critical to its ability to continue to fulfil its stated objectives. Damage to the reputation may lead to a significantly reduced number of bodies applying for charitable giving to the charity and limit the reach of the charity and the effectiveness of its strategies.	Reputational risk is monitored on an ongoing basis by the Board through the reporting provided at their regular meetings. <i>There have been no material changes to the level of this risk during the year.</i>
Strategy Risk This is the potential for failing or being unable to formulate and/or deliver an appropriate strategy, resulting in a failure to achieve the charity's objectives which are detailed in page 5 of this report.	The charity employs a number of strategies which it considers are most appropriate to achieve its aims and objectives. These strategies also underpin a number of the risks detailed within this section. The strategies ensure that the charity is best placed to achieve the stated objectives.	The charity conducts an annual review of the effectiveness of the strategies employed. Regular advice is sought from external parties as part of this process. An annual review of board composition, skills and processes is undertaken to ensure ongoing appropriateness and identify areas for improvement. <i>The size of this risk is unchanged over the year.</i>

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Principal Risks	Why They Are Important	How They Are Managed
Operational Risk This is the risk of an inability to deliver and operate within the policies agreed by the Board, resulting in a failure to meet the charity's objectives (full details of which can be found on page 5 of this report).	The Board sets the operational policies to be adhered to by staff and other persons involved in the operation of the charity with the intention of ensuring that the charity's objectives are met. This risk relates to the potential for employees of the charity failing to deliver and operate within those policies, resulting in a failure to meet the objectives.	This risk is managed by a robust control framework that ensures the effective management of operational risk. This includes ongoing training and induction processes for both its trustees and staff who provide arms' length support services to the charity. The policies and agreements with third parties are also regularly reviewed and updated to reflect the changing environment. <i>The level of this risk has remained similar during the year.</i>

The Strategic Report of Allchurches Trust Limited was approved by the Board and signed on its behalf by



Sir Philip Mawer
Chairman
25 April 2016

Allchurches Trust Limited

Trustees' Report

(incorporating the Directors' Report for the year ended 31 December 2015)

The trustees, who are the directors of the charitable company for Companies Act purposes, are pleased to present their annual report and review together with the audited financial statements of the charity and the group for the year ended 31 December 2015. In this report they are referred to as the trustees or, collectively, as 'the Board'.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, 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 (FRS 102) (effective 1 January 2015).

Structure, Governance and Management

Governing document

Allchurches Trust Limited was incorporated in 1972 in England and Wales. It is a company limited by guarantee not having a share capital and is a registered charity.

The governing documents are the Articles of Association.

In accordance with the Articles of Association, the company in general meeting may admit any person to membership provided the total number of members does not exceed 50. In the event of the company being wound up, the liability of each of the members is limited to £1.

Organisation

The body responsible for the management, actions and decisions of the charity is the Board of Trustees. The Board meets five times a year.

The Board seeks to ensure that all activities comply with UK law and regulatory guidance, and come within agreed charitable objectives. Its work includes setting the strategic direction of the charity, developing the objectives, reviewing the performance of trading subsidiaries and delivering the outcomes for which the charity was established.

The Board has established an Investment Committee and a Nominations Committee.

The Investment Committee has two scheduled meetings a year and primarily oversees the investment strategy and performance of the Capital Endowment Fund's assets.

The Nominations Committee has two scheduled meetings a year and its remit includes reviewing the structure, size, composition and effectiveness of the Board and its committees; overseeing the recruitment and induction of new trustees and the professional development of all the existing trustees; and considering succession planning and the membership needs of the charity.

The day to day management of the charity is undertaken by the Relations and Grants Manager and the Company Secretary.

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Board procedures have been established setting out a framework for the conduct of trustees, with clear guidelines as to the standard of behaviour, responsibilities, and best practice expected of them in fulfilling their obligations to the charity.

Trustees are able, where appropriate, to take independent professional advice at no personal expense so that they are able to fulfil their role.

Appointments to the Board

The Board aims to have a diverse group of trustees, with a balance of necessary skills and experience and which is broadly representative of the community it serves. Dialogue with representatives from the Church and the wider community it serves takes place in identifying potential candidates for the Board. All appointments to the Board are made on merit and to fulfil a specific function or need. The Board will advertise and engage external search consultants as appropriate.

In accordance with the Articles of Association, the Board may at any time appoint any person to be a trustee either to fill a casual vacancy or in addition to the existing trustees. Any such person appointed must retire at the following annual general meeting and will be eligible for election by the members. In certain circumstances, the Articles of Association permit a member to propose a trustee for election in general meetings.

The names of the trustees of the charity at the date of this report are stated on page 2.

Mr D. Christie resigned as a trustee on 8 February 2016. Mr S. C. Hudson was appointed as a trustee on 1 January 2016, in anticipation of the expected retirement of Mr M. A. Chamberlain in July 2016. An external search consultancy, Nurole, and open advertising were used for the recruitment process. Mr T. Carroll was appointed as a trustee on 25 April 2016.

Sir Laurie Magnus and Sir Philip Mawer retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. Mr T. Carroll and Mr S. C. Hudson retire at the forthcoming annual general meeting and, being eligible, offer themselves for election.

The trustees are covered by qualifying third-party indemnity provisions which were in place throughout the year and remain in force at the date of this report.

Trustees' induction and training

All trustees are required to undertake a formal and comprehensive induction to the charity and its trading subsidiaries upon joining the Board. The induction is a two-stage process and is undertaken by the Secretariat.

On acceptance of a position on the Board, all trustees receive an induction pack, which includes their appointment letter and terms; latest audited report and accounts; constitutional documents; protocols on conflicts of interest, the handling of price-sensitive information, governance framework and board procedures, directors' and trustees' duties; board minutes for the current and past year; and board dates and contact details.

After appointment, a one-day induction programme is provided where presentations are given by the Secretariat, Finance, Group Risk, Group Strategy, and heads of the trading subsidiaries. The programme is also offered to other trustees as a refresher every two years and when a programme

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is being run. New trustees also meet individually with the Chairman, Deputy Chairman, Senior Independent Director and each of the Executive Directors of the main trading subsidiary, Ecclesiastical Insurance Office plc.

In addition, trustees participate in a continuing professional development programme.

The Board undertook an internal evaluation of its performance during 2014, assisted by the Secretariat. The outcome of the evaluation was considered by the Board and the Nominations Committee and implementation of the agreed recommendations was monitored by the Nominations Committee throughout 2015.

All trustees receive an annual review with the Chairman. The Chairman is appraised by the Board, in his absence, led by the Deputy Chairman.

Related parties

Related parties of the charity include its subsidiary undertakings. A full list of the charity's subsidiary undertakings is disclosed in note 41 to the financial statements. All subsidiaries listed are included in the consolidated financial statements.

The charity uses the facilities and services provided by Ecclesiastical Insurance Office plc for administrative support.

None of the trustees receive any remuneration or other benefit from their work with the charity.

A Conflicts Register is maintained by the Company Secretary to monitor and manage any potential conflicts of interest. Training on the Companies Act 2006 and Charities Act 2011 has been given to all trustees and they are regularly reminded of their duties. Any conflicts are declared at the first board meeting at which the trustee becomes aware of the potential conflict and are then recorded in the Conflicts Register. The Board considers all conflicts in line with the provisions set out in the Company's Articles. The trustees are required to review their interests recorded in the Conflicts Register on a biannual basis.

Remuneration policy

The day to day management of the charity is undertaken by the Relations and Grants Manager and Company Secretary. All trustees give their time freely and no remuneration was received by any trustee in the year. The Articles of Association include a power to pay a Chairperson but no such fee has been paid to date. Details of trustees' expenses are disclosed in note 11 to the financial statements.

The charity itself has no direct employees.

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Charitable giving policy

The Board regularly reviews its charitable giving policy to ensure it reflects the changing circumstances of the charity, its strategic direction, its objects and its beneficiaries' needs, and thereby advances public benefit.

During the course of 2015, the Board conducted a wide ranging review of its policies and procedures. The implementation of the outcomes will follow in 2016.

Applications in respect of individual projects with a total value in excess of £0.3m are referred to the Board for consideration. These applications are subject to vetting by the Relations and Grants Manager.

Consideration of applications relating to individual projects of up to £0.3m is delegated by the Board to the Chairman and the Relations and Grants Manager. All charitable giving made under this delegated authority is disclosed to the Board at its next meeting.

Charitable giving by subsidiaries

The trading subsidiaries of the charity have an organised programme of direct community investment independent to the charity, that is managed centrally by Ecclesiastical's Group Corporate Responsibility team and at business unit level by local management. Through this programme they seek to fulfil their position as responsible businesses, to build and support their customers and brand, and to engage their people. It operates in two key ways: supporting projects and partnerships important to customers and communities; and providing charitable support for employees to give to causes close to their heart.

Political donations

As a charity, Allchurches Trust is not able to make political donations. It is the policy of the charity's main trading subsidiaries not to make political donations.

Going concern

A review of the financial position and performance of the charity and its trading subsidiaries has been outlined in the Strategic Report on page 18, together with a description of the principal risks and uncertainties faced by the charity on page 25.

The charity, together with its trading subsidiaries, has considerable financial resources: the unrestricted fund has other financial investments of £838.5m, 96% of which are liquid (2014: other financial investments of £896.4m, 97% liquid); cash at bank and in hand of £150.5m and no borrowings (2014: cash at bank and in hand of £138.2m and no borrowings). As a consequence, the trustees have a reasonable expectation that the group is well placed to manage its business risks successfully and continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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Trustees' Responsibilities Statement

The trustees (who are also directors of Allchurches Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements, the directors are required to:

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

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

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

Auditor and the disclosure of information to the auditor

So far as each person who was a trustee/director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow trustees and the charity's auditor, each trustee has taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that Deloitte LLP be re-appointed as auditor of the charity will be put to the annual general meeting.

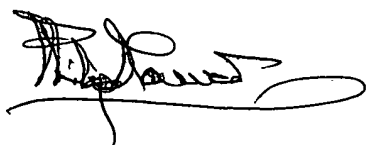
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Equalities and diversity

The charity and its trading subsidiaries are committed to the principle and practice of equal opportunity in employment for all employees of group undertakings, applicants for employment and board membership.

The group recognises the importance of employee communication and aims to keep employees *informed about its affairs through the use of briefing groups, group newsletters and the annual publication of financial reports*. Regular meetings are held between management and employees and discussion is encouraged. It is the group's policy to give full consideration to applications for employment by disabled persons. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

The Trustees' Report of Allchurches Trust Limited was approved by the Board and signed on its behalf by

A handwritten signature in black ink, appearing to read 'P. Mawer', with a long horizontal flourish extending to the right.

Sir Philip Mawer
Chairman
25 April 2016

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLCHURCHES TRUST LIMITED CHARITABLE COMPANY

We have audited the financial statements of Allchurches Trust Limited for the year ended 31 December 2015 which comprise the Charity Statement of Financial Activities (Incorporating an Income and Expenditure account), the Charity Balance Sheet, the Charity Cash Flow Statement, the Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure account), the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 44. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 and the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2015 and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

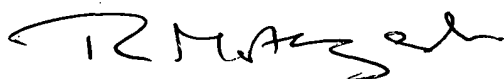
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Reza Motazed FCA (*Senior statutory auditor*)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
25 April 2016

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 December 2015

	Notes	2015			Restated 2014		
		Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income and endowments from:							
Donations	3	55	-	55	97	-	97
Investments							
<i>Gift aid from subsidiary</i>		20,000	-	20,000	23,500	-	23,500
<i>Dividend and interest income</i>	4	31	1,595	1,626	22	1,412	1,434
Total income		20,086	1,595	21,681	23,619	1,412	25,031
Expenditure on:							
Raising funds	5	-	(129)	(129)	-	(103)	(103)
Charitable activities							
<i>Grants</i>	6	(11,692)	-	(11,692)	(9,747)	-	(9,747)
<i>Other expenditure on charitable activities</i>	7	(289)	-	(289)	(251)	-	(251)
Other		(52)	-	(52)	(10)	-	(10)
Total expenditure		(12,033)	(129)	(12,162)	(10,008)	(103)	(10,111)
Net gains/(losses) on investments	8	9,212	(1,211)	8,001	(12,226)	1,187	(11,039)
Taxation	9	-	(20)	(20)	-	(19)	(19)
Net income for the year		17,265	235	17,500	1,385	2,477	3,862
Transfers between funds							
Transfers to the endowment fund	16	(10,000)	10,000	-	-	-	-
Transfer of investment income	16	837	(837)	-	-	-	-
Net movement in funds		8,102	9,398	17,500	1,385	2,477	3,862
Total funds brought forward		379,657	35,842	415,499	378,272	33,365	411,637
Total funds carried forward		387,759	45,240	432,999	379,657	35,842	415,499

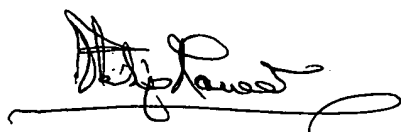
The accompanying notes are an integral part of this charity statement of financial activities. All income relates to continuing operations. The charity had no other recognised gains or losses during the current or prior year other than those included in the charity statement of financial activities.

CHARITY BALANCE SHEET

for the year ended 31 December 2015

	Notes	Unrestricted funds £000	2015 Endowment funds £000	Total funds £000	Restated 2014 Total funds £000
Fixed assets					
Investments	12	373,296	38,131	411,427	398,041
Total fixed assets		373,296	38,131	411,427	398,041
Current assets					
Debtors	13	-	172	172	193
Cash at bank and in hand	14	15,075	6,939	22,014	17,499
Total current assets		15,075	7,111	22,186	17,692
Liabilities					
Creditors: amounts falling due within one year	15	(572)	(2)	(574)	(196)
Net current assets		14,503	7,109	21,612	17,496
Total assets less current liabilities		387,799	45,240	433,039	415,537
Creditors: amounts falling due after one year	15	(40)	-	(40)	(38)
Total net assets		387,759	45,240	432,999	415,499
The funds of the charity:					
Unrestricted income funds	16	14,513	-	14,513	15,623
Endowment funds	16	-	45,240	45,240	35,842
Revaluation reserve	16	373,246	-	373,246	364,034
Total unrestricted funds		387,759	45,240	432,999	415,499
Total funds		387,759	45,240	432,999	415,499

The financial statements of Allchurches Trust Limited, registration number 1043742, on pages 36 to 49 were approved by the Board on 25 April 2016 and signed on its behalf by:



Sir Philip Mawer
Chairman



C. Smith
Trustee

CHARITY STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

	2015	Restated 2014
	£000	£000
Net income for the reporting period	17,500	3,862
Adjustments for:		
(Gains)/losses on investments	(8,001)	11,039
Dividend and interest income from investments	(1,626)	(1,434)
Decrease in debtors	1	7
Increase/(decrease) in creditors	378	(4,155)
Taxation paid	20	19
Net cash provided by operating activities	<u>8,272</u>	<u>9,338</u>
Cash flows from investing activities:		
Dividend and interest income from investments	1,608	1,352
Proceeds from the sale of investments	3,054	2,512
Purchase of investments	(8,438)	(2,745)
Net cash (used in)/provided by investing activities	<u>(3,776)</u>	<u>1,119</u>
Change in cash and cash equivalents in the reporting period	<u>4,496</u>	<u>10,457</u>
Cash and cash equivalents at the beginning of the reporting period	17,499	7,028
Change in cash and cash equivalents due to exchange rate movements	19	14
Cash and cash equivalents at the end of the reporting period	<u>22,014</u>	<u>17,499</u>

NOTES TO THE CHARITY FINANCIAL STATEMENTS

1 Accounting policies for charity parent only

Allchurches Trust Limited is a company limited by guarantee and a registered charity. The principal accounting policies adopted in preparing the charity financial statements are set out below.

Basis of preparation

The financial statements of the charity have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP); Financial Reporting Standard 102 (FRS 102); and the Companies Act 2006 (the Act). The historical cost convention has been applied, modified to include certain items at fair value.

The prior year financial statements have been restated for material adjustments arising on adoption of the SORP and FRS 102. Details of the restatements made are presented in note 18.

The charity meets the definition of a public benefit entity under FRS 102.

A review of the financial position and performance of the charity and its trading subsidiaries has been outlined in the Strategic Report on page 18, together with a description of the principal risks and uncertainties faced by the charity on page 25.

The charity has considerable financial resources: the unrestricted fund has cash at bank and in hand of £15.1m and no borrowings (2014: cash at bank and in hand of £15.8m and no borrowings). The charity also has access to considerable financial resources through its investment in its subsidiaries as outlined in note 19. As a consequence, the trustees have a reasonable expectation that the charity is well placed to manage its business risks successfully and continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts of the charity.

The charity financial statements are stated in sterling, which is the charity's functional and presentational currency.

Fund structure

Unrestricted funds of the charity consist of funds available to the trustees to apply for the general purposes of the charity, in addition to each of the priorities adopted by the charity as set out in the Strategic Report on page 5. Endowment funds are expendable endowments that are retained to strengthen the charity's reserves. The trustees have the power to convert endowment funds to expendable income. The trustees do not designate the funds that the charity receives.

Income

Gift aid

Gift aid is recognised on an accruals basis at the point at which it is probable that the charity will receive the income and the amount receivable can be reliably measured.

Donated services

Donated services are an estimate of the fair value of management and administration costs incurred by subsidiary undertakings on behalf of the charity but not recharged. It is recognised on an accruals basis. An equal amount is included in expenditure on charitable activities.

Income from investments

Investment income consists of dividends and interest receivable for the year. Dividends on equity securities are recognised on the ex-dividend date. Interest is recognised as it accrues. Dividends from overseas equities are grossed-up for the irrecoverable withholding tax suffered.

Unrealised gains and losses are calculated as the difference between carrying value and the original cost, and the movement during the year is recognised in the statement of financial activities. The value of realised gains and losses includes an adjustment for previously recognised gains or losses on investments disposed of in the accounting period.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

Expenditure

Charitable giving

Charitable giving is recognised once approved for payment by the Board. Charitable giving which is contingent upon the satisfaction of certain conditions is not recognised in the financial statements until those conditions have been satisfied. Contingent charitable giving is not material to the financial statements.

Expenditure is classified under the following headings in the statement of financial activities:

- Raising funds comprises the investment management fees incurred by the endowment fund.
- Charitable activities include charitable giving, shared costs and support costs including donated services. The basis for allocating costs to the specific activities are disclosed in note 7.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Taxation

ATL is a UK registered charity and is therefore exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes. Irrecoverable tax withheld from overseas dividend income in the Capital Endowment Fund is recognised when the dividend is received.

Transfers between funds

Transfers between the unrestricted fund and endowment fund are authorised by the Board, and are recognised when the cash is transferred.

Financial instruments

As permitted by FRS 102, the charity has chosen to account for its financial instruments using the recognition and measurement provisions of IAS 39, *Financial Instruments: Recognition and Measurement* as adopted for use in the European Union and the disclosure requirements of section 11 and 12 of FRS 102.

IAS 39 requires certain financial assets and liabilities to be classified into separate categories, for which the accounting treatments differ.

The classification depends on the nature and purpose of the financial assets and liabilities, and is determined at the time of initial recognition. Financial instruments are initially measured at fair value. Their subsequent measurement depends on their classification:

- Financial instruments designated at fair value and those held for trading are subsequently carried at fair value. Changes in fair value are included in the statement of financial activities in the period in which they arise.
- All other financial assets and liabilities are held at amortised cost, using the effective interest method (except for short-term debtors and creditors when the recognition of interest would be immaterial).

The trustees consider that the carrying value of those financial assets and liabilities not carried at fair value in the financial statements approximates to their fair value.

Investments

Financial assets at fair value

Investments are classified into this category if they are managed, and their performance evaluated, on a fair value basis. Purchases and sales of these investments are recognised on the trade date, which is the date that the charity commits to purchase or sell the assets, at their fair value adjusted for transaction costs.

The fair values of investments are based on quoted bid prices. Where there is no active market, fair value is established using a valuation technique based on observable market data where available.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

Investment in subsidiary undertakings

Investment in subsidiary undertakings is accounted for at fair value. Changes in value are reported under 'net gains/(losses) on investments' in the charity statement of financial activities. The cumulative fair value gain is held in a revaluation reserve in the charity balance sheet.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2 Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The key source of estimation uncertainty is determining the fair value of the investment in subsidiary undertakings. Estimating the fair value requires the use of valuation techniques which include discounted cash flow models and economic value analysis. Based on the calculations performed, the trustees deem that net asset value is a reasonable approximation of fair value. The carrying amount of the investment in subsidiary undertakings at the balance sheet date was £373,296,000 (restated 2014: £364,084,000).

3 Donations

Donations include £55,000 (2014: £96,000) of donated services which the trustees have estimated as the fair value of management and administration costs incurred by subsidiary undertakings on behalf of the charity, but which are not recharged. An equal amount is included within expenditure on charitable activities.

4 Dividend and interest income

	2015			Restated 2014		
	Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income from financial assets at fair value						
Equity securities						
- listed	-	1,163	1,163	-	1,057	1,057
Debt securities						
- government bonds	-	13	13	-	27	27
- listed	-	394	394	-	311	311
Income from financial assets at amortised cost						
- cash at bank and in hand, net of exchange movements	31	25	56	22	17	39
	<u>31</u>	<u>1,595</u>	<u>1,626</u>	<u>22</u>	<u>1,412</u>	<u>1,434</u>

5 Expenditure on raising funds

Expenditure on raising funds relates to investment management costs, which are charged to the endowment fund.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

6 Grants

	Grants to institutions £000	Shared costs £000	Support costs £000	Total £000
Church of England Dioceses	6,224	8	15	6,247
Church of England Cathedrals	969	8	15	992
Large grants, above £3,000	2,242	83	15	2,340
Small grants, up to £3,000	1,136	64	19	1,219
Special Projects	718	21	14	753
Flagship Projects	403	13	14	430
	<u>11,692</u>	<u>197</u>	<u>92</u>	<u>11,981</u>

The charity does not make grants to individuals.

Grants made to Church of England Dioceses during the year are listed on page 43. During the year the charity made the following other material institutional grants, where material is defined as over £50,000:

	2015 £000
Church of England Dioceses (analysed on page 43):	6,192
Large grants, above £3,000:	
The Representative Body of the Church of Wales	178
Representative Body Of The Church Of Ireland - Dublin	92
Holy Trinity Church, Hull	55
	<u>325</u>
Special Projects:	
Canterbury Cathedral Trust	90
Housing Justice, London	60
Ripon Cathedral Development Campaign	60
	<u>210</u>
Flagship Projects:	
Archbishops' Council, London	328
The National Society for Promoting Religious Education	75
	<u>403</u>
Total material grants	<u>7,130</u>
Grants that are not individually material:	
Church of England Dioceses (analysed on page 43)	32
Church of England Cathedrals	969
Large grants, above £3,000	1,917
Small grants, up to £3,000	1,136
Special Projects	508
	<u>4,562</u>
Total grants	<u>11,692</u>

Examples of grants paid, that are not individually material, are included in the Strategic Report. A full list of the charity's charitable grants in the year is included in the supplementary information on page 99.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

During the year, the charity made the following grants to Church of England Dioceses:

	2015 £000
Church of England Dioceses:	
Leeds Diocesan Board of Finance	327
The Diocese in Europe	17
The Diocese of Bath And Wells	137
The Diocese of Birmingham	132
The Diocese of Blackburn	127
The Diocese of Bristol	81
The Diocese of Canterbury	118
The Diocese of Carlisle	96
The Diocese of Chelmsford	254
The Diocese of Chester	155
The Diocese of Chichester	166
The Diocese of Coventry	88
The Diocese of Derby	137
The Diocese of Durham	169
The Diocese of Ely	98
The Diocese of Exeter	187
The Diocese of Gloucester	109
The Diocese of Guildford	96
The Diocese of Hereford	89
The Diocese of Leicester	127
The Diocese of Lichfield	228
The Diocese of Lincoln	162
The Diocese of Liverpool	152
The Diocese of London	429
The Diocese of Manchester	213
The Diocese of Newcastle	117
The Diocese of Norwich	173
The Diocese of Oxford	264
The Diocese of Peterborough	112
The Diocese of Portsmouth	71
The Diocese of Rochester	133
The Diocese of Salisbury	159
The Diocese of Sheffield	139
The Diocese of Sodor and Man	15
The Diocese of Southwark	251
The Diocese of Southwell and Nottingham	128
The Diocese of St Albans	143
The Diocese of St Edmundsbury and Ipswich	112
The Diocese of Truro	95
The Diocese of Winchester	122
The Diocese of Worcester	99
The Diocese of York	197
	<hr/>
	6,224

NOTES TO THE CHARITY FINANCIAL STATEMENTS

7 Other expenditure on charitable activities

Other charitable expenditure of £289,000 relates to the shared costs and support costs incurred in the charity's grant making activities and can be analysed as follows:

	Church of England Dioceses £000	Church of England Cathedrals £000	Large grants, above £3,000 £000	Basis of allocation
Shared costs	8	8	83	Time spent
Support costs:				
Governance costs	6	6	6	Equal allocation
Finance	-	-	2	Number of grants
Information technology	2	2	2	Equal allocation
Buildings	4	4	4	Equal allocation
Corporate	3	3	1	Mixed allocation*
	<u>15</u>	<u>15</u>	<u>15</u>	
Other expenditure on charitable activities	<u>23</u>	<u>23</u>	<u>98</u>	
	Small grants, up to £3,000 £000	Special Projects £000	Flagship Projects £000	Basis of allocation
Shared costs	64	21	13	Time spent
Support costs:				
Governance costs	6	6	6	Equal allocation
Finance	6	-	-	Number of grants
Information technology	2	2	2	Equal allocation
Buildings	4	4	4	Equal allocation
Corporate	1	2	2	Mixed allocation*
	<u>19</u>	<u>14</u>	<u>14</u>	
Other expenditure on charitable activities	<u>83</u>	<u>35</u>	<u>27</u>	

*Mixed allocation includes some expenses that have been allocated equally between the different categories and other expenses that have been allocated directly to specific categories based on the nature of the support cost.

8 Net gains/(losses) on investments

The net gains/(losses) on investments in the unrestricted fund arises on its investment in subsidiary undertakings, which is accounted for at fair value.

The net gains/(losses) on investments in the endowment fund are all generated by financial assets at fair value.

9 Taxation

Allchurches Trust Limited is a registered charity and is therefore exempt from corporation tax. The £20,000 (restated 2014: £19,000) tax charge recognised in the statement of financial activities relates to irrecoverable withholding tax that has been suffered on dividends received from overseas equity investments held by the endowment fund.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

10 Employee information

The charity itself has no direct employees, but uses staff employed by a subsidiary company to undertake its charitable activities. The subsidiary company recharges employee costs to the charity.

The average monthly number of full time equivalent employees of the subsidiary company who carried out the charity's activities during the year was 3 (2014: 2). All employees were employed in the United Kingdom in both the current and prior year.

	2015 £000	2014 £000
Wages and salaries	124	81
Social security costs	11	7
Pension costs - defined contribution plans	7	4
Pension costs - defined benefit plans	10	8
	<u>152</u>	<u>100</u>

11 Trustee remuneration

The trustees did not receive any remuneration from the charity during the current or prior year. Two trustees, who are also non-executive directors of a subsidiary undertaking, received remuneration from that subsidiary in respect of their services as non-executive directors. Details of the remuneration they received are disclosed in note 27 to the consolidated financial statements.

During the year, the charity reimbursed expenses totalling £5,000 (2014: £6,000), which were incurred by 8 trustees (2014: 6 trustees) primarily in respect of travel and telephony services.

None of the trustees was a member of the trading subsidiaries' defined benefit pension schemes during the current or prior year.

12 Investments

	2015			Restated 2014		
	Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Financial assets at fair value						
Equity securities						
- listed	-	30,406	30,406	-	28,098	28,098
Debt securities						
- government bonds	-	513	513	-	1,001	1,001
- listed	-	7,212	7,212	-	4,858	4,858
Investment in subsidiary	373,296	-	373,296	364,084	-	364,084
	<u>373,296</u>	<u>38,131</u>	<u>411,427</u>	<u>364,084</u>	<u>33,957</u>	<u>398,041</u>

The value of the investment in subsidiary on a historical cost basis is £50,000 (2014: £50,000).

Details of the charity's investment policy can be found in the Strategic Report on page 20.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

Reconciliation of the movement in financial assets:

	2015		Restated 2014	
	Unrestricted funds	Endowment funds	Unrestricted funds	Endowment funds
	Investment in subsidiary £000	At fair value £000	Investment in subsidiary £000	At fair value £000
Fair value at 1 January	364,084	33,957	376,310	32,537
Additions at cost	-	8,439	-	2,745
Sale proceeds	-	(3,054)	-	(2,512)
Fair value gains/(losses)	9,212	(1,211)	(12,226)	1,187
Fair value at 31 December	373,296	38,131	364,084	33,957

13 Debtors

Debtors of the charity in the current and prior year consist of prepayments and accrued income. The charity's debtors in the current and prior year all relate to the Capital Endowment Fund.

14 Cash at bank and in hand

	2015		2014	
	Unrestricted funds £000	Endowment funds £000	Unrestricted funds £000	Endowment funds £000
Cash at bank and in hand	15,075	6,939	15,807	1,692

15 Creditors

	2015		2014	
	Unrestricted funds £000	Endowment funds £000	Unrestricted funds £000	Endowment funds £000
Amounts falling due within one year:				
Accruals for grants payable	562	-	188	-
Amounts due to related parties	9	-	8	-
Other creditors	1	2	-	-
	572	2	196	-
Amounts falling due after one year:				
Accruals for grants payable	40	-	38	-
	40	-	38	-

NOTES TO THE CHARITY FINANCIAL STATEMENTS

16 Summary of fund movements

	Unrestricted funds £000	Endowment funds £000	Revaluation reserve £000	Total £000
Fund balance at 1 January (restated)	15,623	35,842	364,034	415,499
Income	20,086	1,595	-	21,681
Expenditure	(12,033)	(129)	-	(12,162)
Taxation	-	(20)	-	(20)
Fair value gains/(losses) on investments:				
Investment in subsidiary	-	-	9,212	9,212
Other investments at fair value	-	(1,211)	-	(1,211)
Net transfer between funds	(9,163)	9,163	-	-
Fund balance at 31 December	14,513	45,240	373,246	432,999

The unrestricted fund consists of funds available to the trustees to apply for the general purposes of the charity, in addition to each of the priorities it has adopted as set out in the Strategic Report on page 5.

The Endowment Fund is an expendable endowment fund that is retained to strengthen the charity's reserves. During the year, £837,000 (2014: £nil) of investment income in the endowment fund was converted to income and transferred to the unrestricted fund.

During the year, £10.0m (2014: £nil) was transferred from the unrestricted fund into the endowment fund.

The revaluation reserve is the cumulative fair value gain on the charity's investment in subsidiary undertakings.

17 Related party transactions

Transactions between the charity and its subsidiaries, which are related parties, are shown below. Transactions between the charity and its trustees, who are related parties, are disclosed in note 11.

	2015 £000	2014 £000
Gift aid received	20,000	23,500
Investment management fees paid	118	96
Expenses recharged	213	118
Amounts due to related parties	9	8

In the current and prior year gift aid was received from and expenses paid to Ecclesiastical Insurance Office plc. Investment management fees were paid to EdenTree Investment Management Limited. Both companies are subsidiaries of the group.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

18 Explanation of transition to FRS 102

This is the first year that the charity has presented its financial statements under FRS 102 and in accordance with the SORP (FRS 102). The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102 and the SORP (FRS 102), a number of accounting policies have changed.

The charity has not taken advantage of any transitional arrangements permitted by FRS 102.

(a) Accounting policy changes

The principal changes in accounting policy that impact the charity are as follows:

Carrying value of investment in subsidiary undertakings

The carrying value of the charity's investment in subsidiary undertakings was previously at current value estimated by reference to the underlying net asset value of the subsidiaries. Under FRS 102 and the SORP (FRS 102) the carrying value of the investment in subsidiary undertakings is at fair value. Estimating the fair value requires the use of valuation techniques which include discounted cash flow models and economic value analysis. Based on the calculations performed, the trustees deem that net asset value is a reasonable approximation of fair value.

As a result of restatements arising on the transition to FRS 102, the net asset value of subsidiaries fell by £8.1m. Further information relating to this restatement, which has increased the loss recognised in net gains/(losses) on investments is included in note 42.

Financial instruments

The charity previously accounted for its financial instruments in accordance with FRS 26, which was identical to IAS 39. On transition to FRS 102, the charity has chosen to account for its investments in accordance with IAS 39, and there is therefore no impact on the carrying value of investments.

Dividend income and taxation

Dividend income has been grossed-up for the irrecoverable withholding tax suffered on income from overseas equities held in the endowment fund. The amount of tax suffered is shown as a charge in the line for taxation in the statement of financial activities. The impact of this adjustment on the net income/(expenditure) is nil.

(b) Presentational changes

The statement of financial activities includes presentational changes following the adoption of the SORP (FRS 102). The principal presentational changes are:

Expenditure on charitable activities

Governance costs are no longer separately identified in the statement of financial activities, but are included within support costs which are apportioned across the different activities supported by the charity's charitable giving. The basis on which governance and other support costs have been apportioned is disclosed in note 7.

Net gains/(losses) on investments

Net gains/(losses) on investments were not previously included in the net income/(expenditure) in the period. SORP (FRS 102) requires the net gains/(losses) on investments to be recognised in net income/(expenditure) in the period.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

Reserves at 1 January 2014 remain unchanged following the transition to FRS 102. The impact of the adjustments on reserves at 31 December 2014 is as follows:

	31 December 2014			Total funds £000
	Unrestricted funds £000	Endowment funds £000	Revaluation reserve £000	
Reserves reported under previous UK GAAP	15,623	35,842	372,182	423,647
Adjustments on transition due to changes in accounting policies				
Decrease in carrying value of investment in subsidiary	-	-	(8,148)	(8,148)
Reserves reported under FRS 102	<u>15,623</u>	<u>35,842</u>	<u>364,034</u>	<u>415,499</u>

The impact of the adjustments on net income/(expenditure) in the prior year is as follows:

	31 December 2014			Total funds £000
	Unrestricted funds £000	Endowment funds £000		
Net income under previous UK GAAP	13,611	1,290		14,901
Adjustments on transition due to changes in accounting policies				
Decrease in carrying value of investment in subsidiary	(8,148)	-		(8,148)
Adjustments on transition due to presentational changes				
Net (losses)/gains on investments	(4,078)	1,187		(2,891)
Net income under FRS 102	<u>1,385</u>	<u>2,477</u>		<u>3,862</u>

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 December 2015

	Notes	2015			Restated 2014		
		Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income from:							
Donations		-	-	-	1	-	1
Other trading activities							
<i>Income arising from trading activities</i>	21	270,935	-	270,935	305,818	-	305,818
Investments							
<i>Dividend, interest and rental income</i>	22	35,999	1,595	37,594	37,769	1,412	39,181
Total income		306,934	1,595	308,529	343,588	1,412	345,000
Expenditure on:							
Raising funds		-	(129)	(129)	-	(103)	(103)
Charitable activities							
<i>Grants</i>		(11,692)	-	(11,692)	(9,747)	-	(9,747)
<i>Other expenditure on charitable activities</i>		(234)	-	(234)	(154)	-	(154)
Other							
<i>Charitable donations paid by trading subsidiaries</i>		(613)	-	(613)	(421)	-	(421)
<i>Expenditure arising from parent</i>		(52)	-	(52)	(10)	-	(10)
<i>Expenditure arising from trading activities</i>		(262,003)	-	(262,003)	(304,819)	-	(304,819)
Total expenditure		(274,594)	(129)	(274,723)	(315,151)	(103)	(315,254)
Net gains/(losses) on investments		8,830	(1,211)	7,619	9,351	1,187	10,538
Taxation	23	(4,384)	(20)	(4,404)	(3,791)	(19)	(3,810)
		36,786	235	37,021	33,997	2,477	36,474
Net (expenditure)/income for the year	24						
<i>a. arising from the charity</i>		(11,947)	235	(11,712)	(9,888)	2,477	(7,411)
<i>b. arising from trading activities</i>		48,733	-	48,733	43,885	-	43,885
		36,786	235	37,021	33,997	2,477	36,474

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)

for the year ended 31 December 2015

	Notes	2015			Restated 2014		
		Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Transfer between funds							
Transfers to the Endowment fund		(10,000)	10,000	-	-	-	-
Transfer of investment income		837	(837)	-	-	-	-
Other recognised gains/(losses)							
Gains on revaluation of fixed assets		105	-	105	40	-	40
Actuarial losses on retirement benefits	37	(4,811)	-	(4,811)	(16,371)	-	(16,371)
Attributable tax		827	-	827	3,274	-	3,274
Other losses							
<i>Currency translation differences</i>		(6,461)	-	(6,461)	(1,697)	-	(1,697)
Minority interests	39	(9,181)	-	(9,181)	(9,128)	-	(9,128)
Net movement in funds excluding minority interests		8,102	9,398	17,500	10,115	2,477	12,592
Total funds brought forward		379,657	35,842	415,499	378,272	33,365	411,637
Reserve movement		-	-	-	(8,730)	-	(8,730)
Total funds carried forward		387,759	45,240	432,999	379,657	35,842	415,499

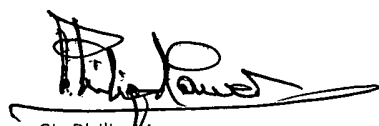
The accompanying notes are an integral part of this consolidated statement of financial activities. All income relates to continuing operations.

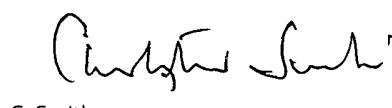
CONSOLIDATED BALANCE SHEET

for the year ended 31 December 2015

	Notes	2015 Total funds £000	Restated 2014 Total funds £000
Fixed assets			
Intangible assets	31	31,336	36,324
Tangible assets	32	107,396	77,108
Investments	33	876,607	930,375
Total fixed assets		1,015,339	1,043,807
Current assets			
Debtors	34	312,520	296,646
Cash at bank and in hand		157,404	139,909
Total current assets		469,924	436,555
Liabilities			
Creditors: amounts falling due within one year	35	(94,203)	(82,201)
Net current assets		375,721	354,354
Total assets less current liabilities		1,391,060	1,398,161
Creditors: amounts falling due after one year	35	(1,282)	(1,088)
Provisions for liabilities	36	(849,692)	(880,353)
Net asset or liability excluding retirement benefit obligations		540,086	516,720
Net pension asset	37	8,556	17,775
Other retirement benefit obligations	37	(9,193)	(12,546)
Total net assets including retirement benefit obligations		539,449	521,949
The funds of the charity:			
Unrestricted income funds	38	14,513	15,623
Endowment funds	38	45,240	35,842
Revaluation reserve	38	572	541
Non charitable trading reserves	38	366,552	350,910
Translation reserve	38	6,122	12,583
Total unrestricted funds		432,999	415,499
Minority interests	39	106,450	106,450
Total funds		539,449	521,949

The consolidated financial statements of Allchurches Trust Limited, registration number 1043742, on pages 50 to 98 were approved by the Board on 25 April 2016 and signed on its behalf by:


Sir Philip Mawer
Chairman


C. Smith
Trustee

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

	2015	Restated 2014
	£000	£000
Net income for the reporting period	37,021	36,474
Adjustments for:		
Depreciation of property, plant and equipment	1,883	1,812
Loss/(profit) on disposal of property, plant and equipment	16	(32)
Revaluation of property, plant and equipment	(5,043)	(2,214)
Amortisation and impairment of intangible assets	6,525	6,738
Loss on disposal of intangible assets	11	19
Share of loss of associate	-	102
Tax expense	4,404	3,810
Profit before tax on disposal of interest in associate	-	(86)
Gains on investments	(2,626)	(8,324)
Dividend and interest income from investments	(32,036)	(36,576)
Finance costs	101	87
Increase in debtors	(22,610)	(14,502)
Increase in creditors	14,112	1,268
Decrease in provisions	(14,208)	(25,067)
Increase/(decrease) in net pension asset	755	(1,344)
Increase in retirement benefit obligation	299	311
Proceeds from the sale of investment property by trading subsidiaries	-	1,355
Proceeds from the sale of financial investments by trading subsidiaries	122,514	184,046
Purchase of investment property by trading subsidiaries	(24,130)	(23,817)
Purchase of financial investments by trading subsidiaries	(79,203)	(129,082)
Tax (paid)/recovered by trading subsidiaries	(7,581)	122
Dividends received by trading subsidiaries	9,391	9,074
Interest received by trading subsidiaries	23,686	26,732
Interest paid by trading subsidiaries	(101)	(87)
Net cash provided by operating activities	33,180	30,819
Cash flows from investing activities:		
Purchases of property, plant and equipment	(2,738)	(1,700)
Proceeds from the sale of property, plant and equipment	264	677
Purchases of intangible assets	(1,850)	(1,568)
Purchase of investments	(8,438)	(2,745)
Proceeds from the sale of investments	3,054	2,512
Acquisition of business, net of cash acquired	-	(5,000)
Disposal of businesses, net of cash transferred	5,260	397
Disposal of interest in subsidiary	-	1,166
Dividend and interest income from parent charity investments	1,608	1,372
Net cash used in investing activities	(2,840)	(4,889)
Cash flows from financing activities:		
Payment of finance lease liabilities	(331)	(371)
Acquisition of non-controlling interests	-	(12,144)
Dividends paid to non-controlling interests of subsidiaries	(9,181)	(9,181)
Net cash used in financing activities	(9,512)	(21,696)
Change in cash and cash equivalents in the reporting period	20,828	4,234
Cash and cash equivalents at the beginning of the reporting period	139,909	136,362
Change in cash and cash equivalents due to exchange rate movements	(3,333)	(687)
Cash and cash equivalents at the end of the reporting period	157,404	139,909

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 Accounting policies for consolidated financial statements

The principal accounting policies adopted in preparing the consolidated financial statements are set out below. Where an accounting policy specifically relates to the charity, it is not repeated in the group's accounting policies, and reference should be made to note 1 to the charity's accounts.

Basis of preparation

The consolidated financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; the Companies Act 2006 (the Act); 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 (FRS 102)' (SORP). The historical cost convention has been applied, modified to include certain items at fair value as permitted by section 404 of the Act. The format of the financial statements has been adapted to comply with the SORP as permitted by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

The principal activities of the trading subsidiaries of the charity remain the transaction of insurance and the provision of financial services. All funds within the trading subsidiaries support their trade. Note 44 includes certain disclosures relevant for groups containing insurance companies in accordance with Financial Reporting Standard 103 (FRS 103), Insurance Contracts.

The prior year financial statements have been restated for material adjustments arising on adoption of the SORP and FRS 102. Details of the restatements made are presented in note 42.

The parent charity meets the definition of a public benefit entity under FRS 102.

The charity, together with its trading subsidiaries, has considerable financial resources: the unrestricted fund has investments of £838.5m, 96% of which are liquid (2014: investments of £896.4m, 97% liquid); cash at bank and in hand of £150.5m and no borrowings (2014: cash at bank and in hand of £138.2m and no borrowings). As a consequence, the trustees have a reasonable expectation that the group is well placed to manage its business risks successfully and continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts of the group.

Items included in the financial statements of each of the group's entities are measured in the currency of the primary economic environment in which that entity operates (the 'functional currency'). The consolidated financial statements are stated in sterling, which is the charity's functional and presentation currency.

Basis of consolidation

The assets, liabilities and results of subsidiary undertakings are included in the consolidated financial statements using audited accounts made up to 31 December. For businesses acquired or disposed of during the year, the results and cash flows relating to a business are included in the consolidated statement of financial activities and the consolidated cash flow statement from the date of acquisition or up to the date of disposal. All inter-company transactions, balances and profits are eliminated.

The group uses the purchase method of accounting to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Goodwill is calculated as the excess of the aggregate consideration transferred over the fair value of the identifiable net assets acquired. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foreign exchange

The assets and liabilities of foreign operations are translated from their functional currencies into the group's presentation currency using year end exchange rates, and their income and expenses using average exchange rates for the year. Exchange differences arising from the translation of the net investment in foreign operations are taken to the translation reserve. On disposal of a foreign operation, such exchange differences are transferred out of this reserve and are recognised in the statement of financial activities as part of the gain or loss on sale.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. Exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of financial activities.

Turnover

General insurance business

Premiums written by trading subsidiaries are shown gross of commission paid to intermediaries and are accounted for in the period in which the risk commences. Estimates are included for premiums not notified by the year end and provision is made for the anticipated lapse of renewals not yet confirmed. Those proportions of premiums written in a year which relate to periods of risk extending beyond the end of the year are carried forward as unearned premiums.

Premiums written include adjustments to premiums written in prior periods and estimates for pipeline premiums and are shown net of insurance premium taxes.

Long-term insurance business

Insurance contract premiums are recognised as income when receivable, at which date the liabilities arising from them are also recognised.

Investment management and broking and advisory services

Fees charged for investment management services are recognised as revenue when the services are provided. Initial fees, which exceed the level of recurring fees and relate to the future provision of services, are deferred and amortised over the anticipated period in which the services will be provided.

Fee and commission income from the group's insurance broking activities is recognised at the inception date of the cover.

Claims

General insurance claims incurred include all losses occurring during the year, whether reported or not, related handling costs, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Claims handling costs include all internal and external costs incurred in connection with the negotiation and settlement of claims.

Long-term insurance business claims and death claims are accounted for when notified.

Insurance contract liabilities

General insurance provisions

(i) Outstanding claims provisions

General insurance outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the balance sheet date, whether reported or not, together with related claims handling costs. Significant delays are experienced in the notification and settlement of certain types of general insurance claims, particularly in respect of liability business, the ultimate cost of which cannot be known with certainty at the balance sheet date. An estimate is made representing the best estimate plus a risk margin within a range of possible outcomes. Designated insurance liabilities are remeasured to reflect current market interest rates.

(ii) Provision for unearned premiums

The proportion of written premiums, gross of commission payable to intermediaries, attributable to subsequent periods is deferred as a provision for unearned premiums. The change in this provision is taken to the statement of financial activities in order that revenue is recognised over the period of risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Equalisation provision

Provision is made in the consolidated accounts for the equalisation provision required by chapter 1 of the Prudential sourcebook for Insurers, in respect of trading subsidiaries. It is required to be included within provisions in the balance sheet even though no actual liability exists at the balance sheet date.

Long-term business provisions

The long-term business provision is determined using the modified statutory solvency basis. Methods and assumptions used in its calculation are approved by the directors of the trading subsidiaries based on advice from the Actuarial Function Holder.

Reinsurance

Certain trading subsidiaries assume and cede reinsurance in the normal course of business, with retention limits varying by line of business. Premiums on reinsurance assumed are recognised as revenue in the same manner as direct business. Outwards reinsurance premiums are accounted for in the same accounting period as the related premiums for the direct or inwards business being reinsured. The group does not reinsure its long-term business.

Reinsurance assets primarily included balances due from both insurance and reinsurance companies for ceded insurance liabilities. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings, being the difference between the cost and the fair value of assets and liabilities acquired, is capitalised in the balance sheet and amortised through the statement of financial activities over its estimated useful economic life of 10 years, on a straight-line basis. The gain or loss on any subsequent disposal of a subsidiary or associated undertaking will include any attributable unamortised goodwill.

Other intangible assets

Other intangible assets consist of acquired brand, customer and distribution relationships, and are carried at cost at acquisition less accumulated amortisation after acquisition. Amortisation is on a straight-line basis over the weighted average estimated useful life of the intangible assets acquired.

The amortisation charge for goodwill and other intangibles for the period is included in the statement of financial activities within expenditure arising from trading activities.

Financial instruments

As permitted by FRS 102, the group has chosen to account for its financial instruments using the recognition and measurement provisions of IAS 39, *Financial Instruments: Recognition and Measurement* as adopted for use in the European Union.

IAS 39 requires certain financial assets and liabilities to be classified into separate categories, for which the accounting treatments differ.

The classification depends on the nature and purpose of the financial assets and liabilities, and is determined at the time of initial recognition. Financial instruments are initially measured at fair value. Their subsequent measurement depends on their classification:

- Financial instruments designated as at fair value and those held for trading are subsequently carried at fair value. Changes in fair value are included in the statement of financial activities in the period in which they arise.
- All other financial assets and liabilities are held at amortised cost, using the effective interest method (except for short-term debtors and creditors when the recognition of interest would be immaterial).

The trustees consider that the carrying value of those financial assets and liabilities not carried at fair value in the financial statements approximates to their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Investments

(i) Financial assets at fair value

Investments are classified into this category if they are managed, and their performance evaluated, on a fair value basis. Purchases and sales of these investments are recognised on the trade date, which is the date that the group commits to purchase or sell the assets, at their fair value adjusted for transaction costs.

The fair values of investments are based on quoted bid prices. Where there is no active market, fair value is established using a valuation technique based on observable market data where available.

(ii) Financial assets at amortised cost

Financial assets at amortised cost include loans secured by mortgages and other loans. They are recognised when cash is advanced to borrowers. These are carried at amortised cost using the effective interest method. To the extent that a loan is uncollectable, it is written off as impaired. Subsequent recoveries are credited to the statement of financial activities.

Income from investments

Investment income consists of dividends, interest and rents receivable for the year. Dividends on equity securities are recognised on the ex-dividend date. Interest and rental income is recognised as it accrues.

Unrealised gains and losses are calculated as the difference between carrying value and the original cost, and the movement during the year is recognised in the statement of financial activities. The value of realised gains and losses includes an adjustment for previously recognised gains or losses on investments disposed of in the accounting period.

Derivative financial instruments

Derivative financial instruments include financial instruments that derive their value from underlying equity instruments. Trading subsidiary derivative transactions, while providing effective economic hedges under the trading subsidiaries' risk management positions, do not qualify for hedge accounting under FRS 102. All derivatives are initially recognised in the statement of financial position at their fair value, which usually represents their cost, including any premium paid. They are subsequently remeasured at their fair value with changes in the fair value recognised immediately in net gains/(losses) on investments. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

The notional or contractual amounts associated with derivative financial instruments are not recorded as assets or liabilities on the balance sheet as they do not represent the fair value of these transactions. Collateral pledged by way of cash margins on futures contracts is recognised as an asset on the balance sheet within cash at bank and in hand.

Offset of financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Deferred acquisition costs

General insurance business

For general insurance business, a proportion of commission and other acquisition costs relating to unearned premiums is carried forward as deferred acquisition costs or, with regard to reinsurance outwards, as deferred income. Deferred acquisition costs are amortised over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortised in the same manner as the underlying asset.

Long-term business

For insurance contracts, acquisition costs comprise direct costs such as initial commission and the indirect costs of obtaining and processing new business. Acquisition costs which are incurred during a financial year are deferred and amortised over the period during which the costs are expected to be recoverable, if applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Taxation

Tax arising from trading activities comprises current and deferred tax. Tax is included in calculating the net income/(expenditure) for the period except to the extent it relates to items recognised in other gains and losses, in which case it is recognised in other gains and losses. Irrecoverable tax withheld from overseas dividend income is recognised when the dividend is received.

Current tax is the expected tax payable by the trading subsidiaries on their taxable results for the period and any adjustment to the tax payable in respect of previous periods.

Deferred tax is recognised in respect of timing differences, being the difference between when gains and losses are included in tax assessments and when they are recognised in the financial statements. Deferred tax is measured using tax rates expected to apply when the related deferred tax asset is realised or when the deferred tax liability is settled based on tax rates and laws which have been enacted or substantively enacted at the year end date.

Deferred tax assets are recognised to the extent that it is more likely than not that future taxable profits will be available against which the future reversal of timing differences can be offset.

Tangible assets

Investment property comprises land and buildings which are held for long-term rental yields. It is carried at fair value with changes in value recognised in the statement of financial activities within net gains/(losses) on investments. Investment property is valued annually by external qualified surveyors.

Owner occupied property is stated at fair value and movements are taken to the revaluations reserve, net of deferred tax. When such properties are sold, the accumulated revaluation surpluses are transferred from this reserve to non charitable trading reserves. Where the market value of an individual property is below original cost, any revaluation movement arising during the year is recognised within net gains/(losses) on investments in the statement of financial activities. Valuations are carried out at least every three years by external qualified surveyors.

All other items classified as tangible fixed assets are carried at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line method to write down the cost of the assets to their residual values over their estimated useful lives as follows:

Computer equipment	3 - 5 years
Motor vehicles	27% reducing balance or length of lease
Fixtures, fittings and office equipment	3 - 15 years

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Employee benefits

Pension obligations

The trading subsidiaries operate a number of defined benefit and defined contribution plans, the assets of which are held in separate trustee-administered funds.

For defined benefit plans, the pension costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the statement of financial activities so as to spread the regular cost over the service lives of employees, in accordance with the advice of qualified actuaries. The pension obligation is measured as the present value of the estimated future cash outflows using a discount rate based on market yields for high-quality corporate bonds. The resulting pension scheme surplus, where recoverable, or deficit appears as an asset or obligation in the consolidated balance sheet. Actuarial gains and losses are recognised immediately in the statement of financial activities within other recognised gains/(losses).

Contributions in respect of defined contribution schemes are recognised as expenditure in the statement of financial activities as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Other post-employment obligations

Some trading subsidiaries provide post-employment medical benefits to their retirees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans. Actuarial gains and losses are recognised immediately in the statement of financial activities within other recognised gains/(losses). Independent qualified actuaries value these obligations annually.

Other benefits

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made as lessees under operating leases are charged to net income/(expenditure) on a straight-line basis over the period of the lease. Rental income received as a lessor under operating leases is credited to net income/(expenditure) on a straight-line basis over the period of the lease. Benefits that the group receives as a lessee or provides as a lessor as an incentive to enter into an operating lease agreement are spread on a straight-line basis over the lease term.

Leases, where a significant portion of the risks and rewards of ownership are transferred to the group, are classified as finance leases. Assets obtained under finance lease contracts are capitalised as tangible assets and are depreciated over the period of the lease. Obligations under such agreements are included within other creditors net of finance charges allocated to future periods. The interest element of the lease payments is charged to net income/(expenditure) over the period of the lease.

20 Critical accounting estimates and judgements in applying accounting policies

The trading subsidiaries make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are regularly reviewed and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting estimates and judgements made by the trading subsidiaries relate to:

- (a) The ultimate liability arising from claims made under general business insurance contracts
- (b) Estimate of future benefit payments arising from long-term insurance contracts
- (c) Pensions and other post-employment benefits
- (d) Goodwill
- (e) Carrying value of tax liabilities

Full details of the critical accounting estimates and judgements that are made by the trading subsidiaries can be found in the notes to the financial statements of Ecclesiastical Insurance Group plc, which are available from the registered office on page 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Trading activities

The income and expenditure arising from trading activities relates to the activities of the charity's trading subsidiaries.

A full list of the charity's trading subsidiaries is provided in note 41. The results of the trading subsidiaries are included in unrestricted funds in the consolidated statement of financial activities on page 50.

The income from trading activities includes net earned premiums and fee and commission income for insurance business; and fee and commission income for investment management and broking and advisory services.

The expenditure from trading activities includes net incurred claims, fees, commissions and expenses for insurance business; and expenses for investment management and broking and advisory services.

Gross written premiums are used as the measure of turnover for the general insurance and long-term insurance businesses. Fee and commission income earned in relation to services provided by the group to third parties is the measure of turnover for investment management and broking and advisory activities.

(a) An analysis of the group's turnover by geographical location of office is set out below:

	2015 £000	2014 £000
United Kingdom and Ireland	269,986	289,991
Australia	37,451	40,083
Canada	39,907	39,365
	<u>347,344</u>	<u>369,439</u>
Reconciliation of turnover to income from trading subsidiaries:		
Turnover	347,344	369,439
Outward reinsurance premium	(113,115)	(135,132)
Net change in provision for unearned premium	4,677	31,178
Other fee and commission income not included in turnover	32,029	40,349
Share of loss on associate	-	(102)
Profit on disposal of associate	-	86
Income arising from trading activities	<u>270,935</u>	<u>305,818</u>

(b) An analysis of the turnover from trading activities by class of business is set out below:

	2015 £000	2014 £000
General insurance business	308,086	328,630
Long-term insurance business	113	167
Investment management	11,275	11,949
Broking and advisory	27,870	28,693
	<u>347,344</u>	<u>369,439</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) An analysis of long-term insurance gross written premiums is set out below:

	2015	2014
	£000	£000
Single premiums	101	154
Regular premiums	12	13
	<u>113</u>	<u>167</u>

(d) Results of trading subsidiaries engaged in insurance business

	2015			Restated 2014	
	Ecclesiastical Insurance Office plc £000	Ansvar Insurance Limited £000	Ecclesiastical Life Limited £000	Total £000	Total £000
Profit and loss account					
Turnover	270,636	37,451	113	308,200	328,797
Dividend and interest income	31,580	3,828	2,996	38,404	36,753
Other income	(60,249)	(16,160)	-	(76,409)	(63,606)
Total income	<u>241,967</u>	<u>25,119</u>	<u>3,109</u>	<u>270,195</u>	<u>301,944</u>
Net incurred claims	(90,744)	(8,247)	2,000	(96,991)	(134,865)
Charitable donations	(309)	(126)	-	(435)	(395)
Other expenditure	(113,082)	(13,426)	(404)	(126,912)	(132,179)
Total expenditure	<u>(204,135)</u>	<u>(21,799)</u>	<u>1,596</u>	<u>(224,338)</u>	<u>(267,439)</u>
Net gains/(losses) on investments	10,665	(1,319)	(1,546)	7,800	9,588
Taxation	(1,913)	(591)	(332)	(2,836)	(1,994)
Gift aid paid to parent charity	(20,000)	-	-	(20,000)	(23,500)
Other comprehensive income and changes in equity	<u>(18,058)</u>	<u>(5,562)</u>	<u>-</u>	<u>(23,620)</u>	<u>(12,099)</u>
Profit/(loss) retained and transferred to reserves	<u>8,526</u>	<u>(4,152)</u>	<u>2,827</u>	<u>7,201</u>	<u>6,500</u>
Balance sheet					
Total assets	<u>1,139,973</u>	<u>153,618</u>	<u>131,495</u>	<u>1,425,086</u>	<u>1,440,484</u>
Equity	408,659	38,818	44,521	491,998	485,025
Liabilities	<u>731,314</u>	<u>114,800</u>	<u>86,974</u>	<u>933,088</u>	<u>955,459</u>
Total liabilities	<u>1,139,973</u>	<u>153,618</u>	<u>131,495</u>	<u>1,425,086</u>	<u>1,440,484</u>
These results have been included in the consolidated statement of financial activities on page 50 after consolidation adjustments.					

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(e) Results of trading subsidiaries engaged in investment management and broking and advisory services

	2015			Restated 2014	
	EdenTree Investment Management Limited £000	South Essex Insurance Brokers Limited £000	Lycetts Holdings Limited £000	Total £000	Total £000
Profit and loss account					
Turnover	13,608	8,703	18,887	41,198	42,753
Dividend and interest income	27	646	49	722	770
Other income	-	-	-	-	(16)
Total income	13,635	9,349	18,936	41,920	43,507
Charitable donations	-	(41)	(10)	(51)	(26)
Other expenditure	(11,823)	(7,069)	(16,156)	(35,048)	(34,039)
Total expenditure	(11,823)	(7,110)	(16,166)	(35,099)	(34,065)
Net gains/(losses) on investments	-	-	35	35	(3)
Taxation	(372)	(487)	(494)	(1,353)	(2,009)
Other comprehensive income and changes in equity	-	-	838	838	(7,219)
Profit retained and transferred to reserves	1,440	1,752	3,149	6,341	211
Balance sheet					
Total assets	15,871	16,738	22,271	54,880	50,706
Equity	10,133	12,149	6,268	28,550	22,209
Liabilities	5,738	4,589	16,003	26,330	28,497
Total liabilities	15,871	16,738	22,271	54,880	50,706

These results have been included in the consolidated statement of financial activities on page 50 after consolidation adjustments

These results have been included in the consolidated statement of financial activities on page 50 after consolidation adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 Dividend and interest income

	2015			Restated 2014		
	Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income from financial assets at fair value through profit or loss						
Equity securities						
- listed	7,408	1,163	8,571	7,163	1,057	8,220
- unlisted	1,968	-	1,968	2,028	-	2,028
Debt securities						
- government bonds	3,159	13	3,172	4,036	27	4,063
- listed	17,351	394	17,745	18,900	311	19,211
Income from financial assets at amortised cost						
a. interest income on mortgages and other loans	26	-	26	328	-	328
b. cash at bank and in hand net of exchange gains and losses	(321)	25	(296)	(90)	17	(73)
c. other income received	1,412	-	1,412	1,573	-	1,573
Other income						
d. rental income	4,996	-	4,996	3,831	-	3,831
	<u>35,999</u>	<u>1,595</u>	<u>37,594</u>	<u>37,769</u>	<u>1,412</u>	<u>39,181</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Tax arising from trading activities

The charity is a UK registered charity and is therefore exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes.

Taxation arises from the activities of the charity's trading subsidiaries.

	2015 £000	Restated 2014 £000
Current tax on net income for the year		
UK corporation tax	3,197	3,887
Double tax relief	4	(727)
	<u>3,201</u>	<u>3,160</u>
Foreign tax	1,358	1,220
Adjustments in respect of prior years		
UK corporation tax	404	(1,206)
Foreign tax	(19)	-
	<u>385</u>	<u>(1,206)</u>
Total current tax	<u>4,944</u>	<u>3,174</u>
Deferred tax		
Origination and reversal of timing differences	2,644	160
Effect of change in tax rate on opening liability	(3,186)	-
Adjustment in respect of prior year	2	476
Total deferred tax	<u>(540)</u>	<u>636</u>
Total tax on net income/(expenditure) for the year	<u>4,404</u>	<u>3,810</u>

A change in the UK standard rate of corporation tax from 21% to 20% became effective from 1 April 2015. Where appropriate, current tax has been provided at the blended rate of 20.25%. A further reduction in the rate of corporation tax to 19% will become effective from April 2017, reducing again to 18% effective from April 2020. These changes were substantively enacted on 18 November 2015. Deferred tax has been provided at an average rate of 18.6% (2014: 20%).

Tax on the group's net income before tax differs from the United Kingdom standard rate of corporation tax for the reasons set out in the following reconciliation:

	2015 £000	Restated 2014 £000
Net income before tax	<u>41,425</u>	<u>40,284</u>
Tax calculated at the UK standard rate of tax of 20.25% (2014: 21.5%)	8,389	8,661
<i>Factors affecting charge for the year:</i>		
Expenses not deductible for tax purposes	1,437	3,126
Non-taxable income	(1,272)	(2,990)
Life insurance and other tax paid at non-standard rates	(613)	(4,141)
Utilisation of tax losses for which no deferred tax asset has been recognised	(203)	(116)
Impact of reduction in deferred tax rate	(3,721)	-
Adjustments to tax charge in respect of prior periods	387	(730)
Total tax expense	<u>4,404</u>	<u>3,810</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 Net (expenditure)/income for the year

	2015		Restated 2014	
	Unrestricted funds	Endowment funds	Unrestricted funds	Endowment funds
	£000	£000	£000	£000
Net (expenditure)/income for the year has been arrived at after charging/(crediting):				
Net foreign exchange losses/(gains)	1,421	(20)	1,352	(13)
Depreciation of tangible fixed assets	1,883	-	1,812	-
Amortisation of goodwill	4,162	-	4,016	-
Amortisation of intangible assets	2,363	-	2,722	-
Operating lease rentals	3,772	-	3,920	-
Fair value gains/(losses) on investments designated at fair value through profit and loss	3,837	(1,211)	7,137	1,187
Fair value gains on investment property	4,845	-	2,459	-

The amortisation of goodwill is included in 'expenditure arising from trading activities' in the consolidated statement of financial activities.

25 Auditor's remuneration

	2015 £000	2014 £000
Fees payable to the charity's auditor for the audit of the charity's annual accounts	6	6
Fees payable to the charity's auditor and its associates for other services:		
- The audit of the charity's subsidiaries	478	373
Total audit fees	484	379
- Audit-related assurance services	86	84
- Other assurance services	6	6
Total non-audit fees	92	90
Total auditor's remuneration	576	469

Amounts disclosed are net of services taxes, where applicable.

Fees payable to the charity's auditor in respect of the audit of the group's associated pension plans amounted to £17,000 (2014: £15,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 Employee information

The average monthly number of employees of the group, including Executive Directors of the trading subsidiaries, during the year by geographical location was:

	2015 No.	2014 No.
United Kingdom and Ireland	1,075	1,080
Australia	92	101
Canada	68	63
	<u>1,235</u>	<u>1,244</u>

	2015 £000	Restated 2014 £000
Wages and salaries	61,911	63,016
Social security costs	5,564	5,520
Pension costs - defined contribution plans	3,103	3,067
Pension costs - defined benefit plans	3,181	1,741
Other post-employment benefits	460	550
	<u>74,219</u>	<u>73,894</u>

The above figures do not include termination benefits of £996,000 (2014: £23,000).

27 Trustee remuneration

Two trustees received remuneration in their capacity as non-executive directors of subsidiary undertakings. Details of the emoluments received are as follows:

	2015 £000	2014 £000
D. Christie	60	60
Ms D. P. Wilson	53	53
Total emoluments paid to trustees in their capacity as non-executive directors of subsidiary undertakings	<u>113</u>	<u>113</u>

None of the trustees were a member of the trading subsidiaries' defined benefit pension schemes during the current or prior year.

28 Acquisition of additional shares in subsidiary

At 1 January 2014 the group owned 75.0% of Lycetts Holding Limited (hereafter referred to as Lycetts), a holding company of a group whose primary activity is insurance brokerage business. Through the course of 2014 the group acquired the final 25.0% of the shares for a cash consideration of £12,144,000 paid to minority interest shareholders. The carrying value of the additional interest acquired was £3,414,000. The excess of the consideration paid over the additional interest acquired has been recognised directly in the non-charitable trading reserve. The purpose of the business combination is to diversify the portfolio of the group and benefit from Lycetts' expertise in rural, specialist commercial and bloodstock lines of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 Acquisition of business

On 15 April 2014, South Essex Insurance Brokers Limited acquired the assets of Lansdown Insurance Brokers (hereafter referred to as Lansdown). Lansdown is an insurance broker across a variety of classes of business, with a particular specialism in blocks of flats and apartments and high net worth homes. Lansdown was acquired as part of the group's strategy to identify new market sectors in which to grow, either organically or through acquisition.

The following table sets out the book values of the identifiable assets acquired and their fair value to the group in the prior year:

	Book value £000	2014 Valuation adjustment £000	Fair value to Group £000
Intangible assets	-	1,166	1,166
Property, plant and equipment	12	-	12
Total assets	12	1,166	1,178
Goodwill	-	-	4,392
Total consideration	12	1,166	5,570

The contingent consideration arrangement required £2,100,000 of retained commission income to be received for the twelve months to 15 April 2015, with the potential amount of the future payment that the group could be required to make being between £nil and £1,000,000.

In 2014, the fair value of the contingent consideration was estimated to be £570,000 based on commission forecasts, without discounting as the payment was payable after exactly one year from the date of acquisition. The actual contingent consideration paid in 2015 was £587,000.

30 Disposal of business

On 20 January 2015, Ecclesiastical Financial Advisory Services Limited entered into an agreement to transfer its mortgage business to Holmesdale Building Society. The transfer was completed on 1 February 2015.

	£000
The net assets at the date of disposal were:	
Financial investments	6,084
Consideration and costs of sale:	
Cash received	(5,260)
Contingent consideration arrangement	(824)
Sale costs and related net expenses	19
Loss on disposal	19

The net cash inflow arising on disposal was £5,260,000.

The contingent consideration is deferred over the next seven years and is dependent on the development of the mortgage book.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 Intangible assets

	Goodwill £000	Computer software £000	Other intangible assets £000	Total £000
Cost				
At 1 January (restated)	45,802	20,886	16,727	83,415
Additions	-	1,850	-	1,850
Disposals	-	(1,799)	-	(1,799)
Exchange movements	-	(428)	-	(428)
At 31 December	45,802	20,509	16,727	83,038
Amortisation				
At 1 January (restated)	22,853	16,562	7,676	47,091
Provided in the year	4,162	1,234	1,129	6,525
Disposals	-	(1,788)	-	(1,788)
Exchange movements	-	(126)	-	(126)
At 31 December	27,015	15,882	8,805	51,702
Net book value				
At 1 January (restated)	22,949	4,324	9,051	36,324
At 31 December	18,787	4,627	7,922	31,336

Goodwill arose on the acquisition of subsidiary undertakings and on the acquisition of business.

Other intangible assets consist of acquired brand, customer and distribution relationships, which have an overall remaining useful life of seven years on a weighted average basis.

£6,978,000 of the other intangible assets balance in the current year relates to the acquisition of Lycetts Holdings Limited and has a remaining useful life of seven years.

None of the intangible assets noted above relate to the parent company, or to the trading subsidiaries' long-term business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 Tangible assets

	Land and buildings					
	Investment property	Freehold	Computer equipment	Motor vehicles	Office equipment	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 January (restated)	69,775	3,035	6,597	2,616	5,780	87,803
Additions	24,130	-	816	768	1,875	27,589
Disposals	-	(225)	(890)	(741)	(290)	(2,146)
Revaluations	4,845	280	-	-	-	5,125
Exchange movements	-	-	(76)	-	(94)	(170)
At 31 December	98,750	3,090	6,447	2,643	7,271	118,201
Depreciation						
At 1 January (restated)	-	-	5,028	1,125	4,542	10,695
Charge for the year	-	-	816	420	647	1,883
Disposals	-	-	(862)	(508)	(280)	(1,650)
Exchange movements	-	-	(50)	-	(73)	(123)
At 31 December	-	-	4,932	1,037	4,836	10,805
Net book value						
At 1 January (restated)	69,775	3,035	1,569	1,491	1,238	77,108
At 31 December	98,750	3,090	1,515	1,606	2,435	107,396

None of the tangible assets noted above relate to the charity.

The group's investment properties were revalued at 31 December 2015 by Cluttons LLP, an external firm of chartered surveyors, with the exception of one property purchased close to the year end which has been valued at its purchase price, and another which was purchased through Cluttons and therefore following RICS guidelines was valued independently by Colliers LLP. Valuations have been carried out in accordance with The RICS Valuation - Professional Standards UK, revised in April 2015.

All freehold properties were revalued at 31 December 2015, with the exception of a certain property, which was revalued at 31 December 2014. Valuations were carried out by Cluttons LLP in accordance with The RICS Valuation - Professional Standards, UK revised in April 2015.

The value of the investment property on a historical cost basis is £92,300,000. The value of freehold property on a historical cost basis is £3,337,000.

Included within investment property is long leasehold property with a net book value at 31 December 2015 of £11,235,000.

There are no restrictions on the realisability of investment and freehold property, nor on the remittance of income and proceeds of disposal. At the year end, contractual obligations relating to investment properties totalled £138,000.

Included within net book value of motor vehicles is £1,364,000 and within net book value of computer equipment is £4,000 in respect of assets held under finance leases.

Investment property transactions are shown as operating activities in the consolidated statement of cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 Investments

	2015 £000	Restated 2014 £000
Financial assets at fair value through profit or loss		
Equity securities		
- listed	304,921	297,654
- unlisted	36,304	24,377
Debt securities		
- government bonds	161,203	197,180
- listed	373,263	404,706
- unlisted	187	238
Derivative financial instruments:		
- options	713	-
	<u>876,591</u>	<u>924,155</u>
Financial assets at amortised cost		
Loans secured by mortgages	-	6,204
Other loans	16	16
	<u>876,607</u>	<u>930,375</u>
Total other financial investments		

Reconciliation of the movement in financial assets:

	Unrestricted funds		Endowment funds	
	At fair value through profit or loss £000	At amortised cost £000	At fair value through profit or loss £000	At amortised cost £000
2015				
Fair value at 1 January (restated)	890,198	6,220	33,957	-
Additions at cost	79,197	6	8,439	-
Sale proceeds	(118,671)	(6,084)	(3,054)	-
Fair value gains/(losses)	1,604	(14)	(1,211)	-
Redemption and repayments	-	(112)	-	-
Exchange losses	(13,868)	-	-	-
Fair value at 31 December	<u>838,460</u>	<u>16</u>	<u>38,131</u>	<u>-</u>
2014 (restated)				
Fair value at 1 January	942,355	7,911	32,537	-
Additions at cost	129,075	7	2,745	-
Sale proceeds	(183,014)	-	(2,512)	-
Fair value gains	7,584	-	1,187	-
Redemptions and repayments	-	(1,032)	-	-
Exchange losses	(5,802)	-	-	-
Market value adjustment	-	(666)	-	-
Fair value at 31 December	<u>890,198</u>	<u>6,220</u>	<u>33,957</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Debtors

	2015 £000	Restated 2014 £000
(a) Amounts falling due within one year		
Trade debtors	74,886	70,344
Other debtors	24,102	22,818
Amounts due from related parties	23	59
Reinsurers' share of technical provisions	98,967	92,728
Accrued rent and interest	6,281	7,224
Deferred acquisition costs	28,394	31,117
Current tax recoverable	331	-
Other prepayments and deferred income	3,619	3,642
	<u>236,603</u>	<u>227,932</u>
(b) Amounts falling due after one year		
Trade debtors	2,000	2,000
Other debtors	6	-
Reinsurers' share of technical provisions	71,773	64,737
Deferred tax assets	2,138	1,977
	<u>75,917</u>	<u>68,714</u>
Total debtors	<u>312,520</u>	<u>296,646</u>

Trade debtors are the debtors arising from the direct insurance, insurance broking and reinsurance operations of trading subsidiaries. Where there are legal rights of set off, reinsurance debtors and creditors within the same party have been netted off to show the net debtor or creditor that will actually be settled.

The reinsurers' share of technical provisions include balances due from insurance and reinsurance companies for ceded insurance liabilities arising from the insurance business of the trading subsidiaries. Further information is provided in note 44 VII.

A reconciliation of the movement in deferred acquisition costs is presented in note 44 VI.

(c) Overdue and impaired trade debtors

There has been no significant change in the recoverability of the group's trade debtors arising out of insurance and reinsurance operations, for which no collateral is held. The trustees consider that the amounts are recoverable at their carrying values, which are stated net of an allowance for doubtful debts for those debtors that are individually determined to be impaired.

The group allowance for doubtful debts includes a provision of £163,000 (2014: £214,000) in respect of debtors that are individually determined to be impaired based on an assessment of their ageing profile and credit rating at the reporting date.

Included within debtors is £5,242,000 (2014: £4,927,000) overdue but not impaired. Of this balance, £4,647,000 (2014: £4,111,000) is not more than three months overdue at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Creditors

	2015	Restated 2014
	£000	£000
(a) Amounts falling due within one year		
Trade creditors	25,948	13,864
Other creditors	26,857	26,275
Derivative liabilities	1,466	-
Amounts due to related parties	-	40
Corporation tax	3,667	6,007
Accruals and deferred income	36,265	36,015
	<u>94,203</u>	<u>82,201</u>
(b) Amounts falling due after one year		
Other creditors	1,242	1,050
Accruals and deferred income	40	38
	<u>1,282</u>	<u>1,088</u>

Trade creditors are the creditors arising from the direct insurance and reinsurance operations of trading subsidiaries. Where there are legal rights of set off, reinsurance debtors and creditors within the same party have been netted off to show the net debtor or creditor that will actually be settled.

Deferred income arises from the operations of the trading subsidiaries.

36 Provisions for liabilities

	2015	Restated 2014
	£000	£000
Provisions for liabilities	4,066	3,588
Deferred tax liabilities	29,979	31,138
Technical provisions	705,268	726,004
Long-term business technical provisions	85,422	94,324
Claims equalisation provision	24,957	25,299
	<u>849,692</u>	<u>880,353</u>

All provisions relate to the trading subsidiaries.

Technical provisions, long-term business technical provisions and claims equalisation provision arise on the insurance business of the trading subsidiaries'. Further details of these provisions are provided in note 44 parts VII to X.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Provisions for liabilities

	Regulatory and legal provisions £000	Restructuring and other provisions £000	Total £000
At 1 January 2015	2,022	1,566	3,588
Additional provisions	3,542	196	3,738
Used during year	(1,106)	(651)	(1,757)
Not utilised	(1,215)	(277)	(1,492)
Exchange differences	-	(11)	(11)
At 31 December 2015	3,243	823	4,066
Current	1,743	102	1,845
Non-current	1,500	721	2,221

Regulatory and legal provisions

The group operates in the financial services industry and is subject to regulatory requirements in the normal course of business, including contributing towards any levies raised on UK general and long-term business. The provisions reflect an assessment by the group of its share of the total potential levies.

In addition, from time to time the group receives complaints from customers and, while the majority relate to cases where there has been no customer detriment, we recognise that we have provided, and continue to provide, advice and services across a wide spectrum of regulated activities. We therefore believe that it is prudent to hold a provision for the estimated costs of customer complaints relating to services provided. The group continues to reassess the ultimate level of complaints expected and the appropriateness of the provision, which reflects the expected redress and associated administration costs that would be payable in relation to any complaints we may uphold.

Restructuring and other provisions

The provision for restructuring and other costs relates to costs in respect of redundancies, dilapidations and deferred consideration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Deferred tax

	2015	Restated 2014
	£000	£000
At 1 January	(29,161)	(31,784)
Charged to net income/(expenditure)	(2,646)	(636)
Credited to net income/(expenditure) - resulting from reduction in tax rate	3,186	-
Credited to other recognised gains/(losses)	867	3,274
Charged to other recognised gains/(losses) - resulting from reduction in tax rate	(40)	-
Exchange differences	(47)	(15)
At 31 December	<u>(27,841)</u>	<u>(29,161)</u>

	2015	Restated 2014
	£000	£000
Deferred tax assets included in debtors	2,138	1,977
Deferred tax liabilities included in provisions for liabilities	<u>(29,979)</u>	<u>(31,138)</u>
Net provision for deferred tax	<u>(27,841)</u>	<u>(29,161)</u>
Deferred tax is provided as follows:		
Unrealised investment gains	(30,382)	(31,997)
Retirement benefit obligations	119	(1,047)
Depreciation in excess of capital allowances	585	1,652
Other timing differences	<u>1,837</u>	<u>2,231</u>
Net provision for deferred tax	<u>(27,841)</u>	<u>(29,161)</u>

The group expects a net deferred tax asset of £2.1m to reverse within 12 months of the year end date. The reversal is expected to arise from sale of investments, claiming of capital allowances, pension contributions, settlement of overseas claims costs and other temporary timing differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 Retirement benefit obligations

(a) Defined benefit pension plans

The trading subsidiaries' main scheme is a defined benefit scheme for UK employees, which includes two discrete sections, the EIO Section and the Ansvar Section. The assets of the scheme are held separately from those of the group by the Trustee of the Ecclesiastical Insurance Office plc Staff Retirement Benefit Fund (the "Fund"). The Fund is subject to the Statutory Funding Objective under the Pensions Act 2004. An independent qualified actuary appointed by the Fund's trustee is responsible for undertaking triennial valuations to determine whether the Statutory Funding Objective is met. Pension costs for the plan are determined by the Fund's trustee, having considered the advice of the actuary and having consulted with the employer. The most recent triennial valuation was at 31 December 2013. In the current year, the surplus in the scheme has been restricted, in accordance with FRS 102, to the amount that is recoverable through a reduction in future contributions. Lycetts Holdings Limited also operates a defined benefit plan. Actuarial valuations were reviewed and updated at 31 December 2015 for FRS 102 purposes.

A trading subsidiary is also the sponsoring employer for the Ecclesiastical Insurance Office plc Pension and Life Assurance Scheme ("EIOPLA"). This is a defined benefit scheme that has been closed to new entrants since 1 July 1998, providing benefits to pensioners of Methodist Insurance plc, a company with a similar culture and whose insurance risks, excluding terrorism, are fully reinsured by the trading subsidiary. The assets of the scheme are held separately from those of the group. The most recent triennial valuation was at 31 December 2013. The scheme had not previously been reported within the group accounts, and was therefore shown as a transfer in, in the prior year.

On 30 June 2015, formal notice was given to the Trustee of EIOPLA to wind-up the defined benefit pension scheme. The wind-up formally commenced on 1 July 2015. On 18 December 2015, the scheme's defined benefit obligations were discharged, resulting in nil obligations at the year-end date. The wind-up is expected to complete in the first half of 2016. In the prior year, the FRS 102 surplus in the scheme was derecognised in full due to the uncertainty of its recoverability. In the current year, part of the FRS 102 surplus has been recognised in line with the amount of surplus that the trading subsidiary expects to receive when the scheme wind-up is completed in 2016.

The Irish defined benefit plan closed on 31 March 2014 and was accounted for as a curtailment and settlement in the prior year.

	2015	Restated 2014
	£000	£000
The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	(287,206)	(291,709)
Fair value of plan assets	303,045	310,047
	15,839	18,338
Restrictions on asset recognised	(7,283)	(563)
Net asset in the balance sheet	8,556	17,775
The following is the analysis of the net pension asset for financial reporting purposes:		
Net pension asset	10,893	21,069
Net pension liability	(2,337)	(3,294)
	8,556	17,775

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2015 £000	Restated 2014 £000
The amounts recognised in the consolidated statement of financial activities are as follows:		
Current service cost	3,985	3,864
Administration cost	375	417
Interest income on plan assets	(11,358)	(13,751)
Interest cost on scheme liabilities	10,634	12,135
Losses/(gains) on settlements/curtailments	155	(412)
Total, included in expenditure arising from trading activities*	3,791	2,253
The amounts recognised in actuarial gains/(losses) on retirement benefits are as follows:		
Return on plan assets, excluding interest income	(8,832)	2,448
Experience gains on liabilities	758	4,416
Gains from changes in demographic assumptions	428	5,273
Gains/(losses) from changes in financial assumptions	5,903	(28,400)
Change in asset restriction	(6,720)	383
	(8,463)	(15,880)
* Charge to net income/(expenditure) includes £610,000 (2014: £512,000) in respect of salary sacrifice contributions.		

The principal actuarial assumptions (expressed as weighted averages) were as follows:

	2015 %	2014 %
Discount rate	3.80	3.67
Inflation (RPI)	3.10	3.08
Inflation (CPI)	2.10	2.09
Future salary increases	4.52	4.46
Future increase in pensions in deferment	2.14	2.14
Future pension increases (RPI)	3.10	3.08
Future pension increases (CPI)	2.10	2.08

	2015	2014
Mortality rate		
The average life expectancy in years of a pensioner retiring at age 65, at the balance sheet date, is as follows:		
Male	24.0	23.8
Female	25.6	25.5
The average life expectancy in years of a pensioner retiring at age 65, 20 years after the balance sheet date, is as follows:		
Male	26.3	26.1
Female	27.8	27.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Plan assets are weighted as follows:	2015	2014
	%	%
Equity instruments	47	50
Debt instruments	36	34
Property	14	10
Cash and cash equivalents	3	6
	<u>100</u>	<u>100</u>

The actual return on pension plan assets was a gain of £2,526,000 (2014: gain of £16,199,000).

The movements in the fair value of plan assets and the present value of the defined benefit obligations over the year are as follows:

	2015	Restated 2014
Plan assets		
At 1 January	310,047	303,358
Transfer in	-	2,947
Interest income	11,358	13,751
Return on plan assets, excluding interest income	(8,832)	2,448
Pension benefits paid and payable	(10,333)	(11,497)
Contributions paid	3,036	3,597
Assets distributed on settlements	(2,199)	(4,416)
Administrative expenses	(32)	-
Exchange differences	-	(141)
At 31 December	<u>303,045</u>	<u>310,047</u>
Defined benefit obligation		
At 1 January	291,709	270,812
Transfer in	-	2,259
Current service cost	3,985	3,864
Administration cost	344	417
Interest cost	10,634	12,135
Pension benefits paid and payable	(10,333)	(11,497)
Experience gains on liabilities	(758)	(4,416)
Gains from changes in demographic assumptions	(428)	(5,273)
(Gains)/losses from changes in financial assumptions	(5,903)	28,400
Liabilities extinguished on settlements/curtailments	(2,044)	(4,828)
Exchange differences	-	(164)
At 31 December	<u>287,206</u>	<u>291,709</u>
Restriction on asset recognised		
At 1 January	563	258
Transfer in	-	688
Change in asset restriction	6,720	(383)
At 31 December	<u>7,283</u>	<u>563</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Post-employment medical benefits

The trading subsidiaries operate a post-employment medical benefit plan, for which it chooses to self-insure. The method of accounting, assumptions and the frequency of valuation are similar to those used for the defined benefit pension plans.

The amounts recognised in the balance sheet are determined as follows:

	2015 £000	Restated 2014 £000
Present value of unfunded obligations and net obligations in the balance sheet	9,193	12,546
Movements in the net obligations recognised in the balance sheet are as follows:		
At 1 January	12,546	11,744
Total expense charged to net income/(expenditure)	460	550
Net actuarial (gains)/losses during the year, included in other recognised gains/(losses)	(3,652)	491
Benefits paid	(161)	(239)
At 31 December	9,193	12,546
The amounts recognised through net income/(expenditure) are as follows:		
Current service cost	-	33
Interest cost	460	517
Total, included in employee benefits expense	460	550

The principal actuarial assumptions were as follows:	2015 %	2014 %
Discount rate	3.8	3.7
Medical cost inflation	9.1	12.0
The reduction in medical cost inflation in the current year is the result of a change in the calculation methodology following actuarial advice received. The change in methodology generated an actuarial gain of £3.5m.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 Summary of reserve movements

	Unrestricted fund £000	Endowment fund £000	Revaluation reserve £000	Non charitable trading reserve £000	Translation reserve £000	Total £000
Fund balance at 1 January (restated)	15,623	35,842	541	350,910	12,583	415,499
Income	86	1,595	-	306,848	-	308,529
Gift aid paid to charity parent	20,000	-	-	(20,000)	-	-
Expenditure	(12,033)	(129)	-	(262,561)	-	(274,723)
Taxation	-	(20)	-	(4,384)	-	(4,404)
Reserve transfers	(9,163)	9,163	(97)	97	-	-
Fair value (losses)/gains on investments	-	(1,211)	-	8,830	-	7,619
Gains on revaluation of fixed assets net of tax	-	-	128	-	-	128
Currency translation differences	-	-	-	-	(6,461)	(6,461)
Actuarial losses on retirement benefit obligations net of tax	-	-	-	(4,007)	-	(4,007)
Minority interests	-	-	-	(9,181)	-	(9,181)
Fund balance at 31 December	14,513	45,240	572	366,552	6,122	432,999

The unrestricted fund consists of funds available to the trustees to apply for the general purposes of the charity, in addition to each of the priorities it has adopted as set out in the Strategic Report on page 5.

The Endowment Fund is an expendable endowment fund that is retained to strengthen the charity's reserves. The trustees have the power to convert endowment funds to expendable income.

The translation reserve arises on the consolidation of the group's foreign operations. The revaluation reserve represents the cumulative net fair value gains on the trading subsidiaries' freehold property.

39 Minority interests

Minority interests comprise the 8.625% Non-cumulative Irredeemable Preference shares in Ecclesiastical Insurance Office plc.

40 Financial commitments

Capital commitments

At the year end, the group had capital commitments of £nil (2014: £100,000). The charity had no capital commitments in either the current or prior year.

Operating lease commitments

The group leases premises and equipment under non-cancellable operating lease agreements.

The future aggregate minimum lease rentals receivable under non-cancellable operating leases are as follows:

	2015 £000	2014 £000
Within 1 year	5,282	3,762
Between 1 & 5 years	16,725	13,291
After 5 years	28,871	24,750
	<u>50,878</u>	<u>41,803</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015 £000	2014 £000
Within 1 year	3,195	2,769
Between 1 & 5 years	9,806	10,068
After 5 years	5,154	6,942
	<u>18,155</u>	<u>19,779</u>
Operating lease rentals charged to net income/expenditure in the period	3,772	3,920

41 Subsidiary undertakings

(i) Group undertakings

The charity's interest in group undertakings at 31 December 2015 is as follows:

Subsidiary undertakings	Company Registration Number	Share capital	Holding of shares by Charity Subsidiary	
Incorporated and operating in Great Britain, engaged in investment, insurance and financial services or other insurance-related business				
Ecclesiastical Insurance Group plc	1718196	Ordinary shares	100%	-
Ecclesiastical Insurance Office plc	0024869	Ordinary shares	-	100%
Ecclesiastical Underwriting Management Limited	2368571	Ordinary shares	-	100%
Ecclesiastical Financial Advisory Services Limited	2046087	Ordinary shares	-	100%
Ecclesiastical Life Limited	0243111	Ordinary shares	-	100%
EdenTree Investment Management Limited	2519319	Ordinary shares	-	100%
South Essex Insurance Holdings Limited	6317313	Ordinary shares	-	100%
South Essex Insurance Brokers Limited	6317314	Ordinary shares	-	100%
Lycetts Holdings Limited	5866203	Ordinary shares	-	100%
Lycett, Browne-Swinburne & Douglass Limited	0706042	Ordinary shares	-	100%
Lycetts Financial Services Limited	2057974	Ordinary shares	-	100%
Farmers & Mercantile Insurance Brokers Limited	3142714	Ordinary shares	-	100%
Incorporated in Great Britain, engaged in retail of goods and services:				
Ecclesiastical Investment Management Limited	1811698	Ordinary shares	-	100%
Incorporated in Great Britain, dormant				
E.I.O. Trustees Limited *	0941199	Ordinary shares	-	100%
Incorporated and operating in Australia, engaged in				
Ansvar Insurance Limited	21007216506	Ordinary shares	-	100%
Incorporated in Australia, dormant				
Ansvar Insurance Services Pty Limited *	162612286	Ordinary shares	-	100%
* Not audited				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Associate undertaking

During the prior year Lycetts Holdings Limited disposed of its 40% shareholding in its associate Amlin Plus Limited, an insurance services company. This interest was disposed of on 20 May 2014.

The group's interest in Amlin Plus Limited, an unlisted company incorporated in the United Kingdom, was as follows.

	Period to 20 May 2014 £000
Group's share of:	
Revenue	163
Expenses	(265)
Loss before tax	(102)
Tax credit	22
Loss after tax	(80)

All the entities listed are included within the consolidated financial statements. Voting rights are in line with the holdings of ordinary shares.

The financial statements of Ecclesiastical Insurance Office plc and Ecclesiastical Insurance Group plc, the parent companies of the main trading groups, are publicly available, therefore a detailed analysis of their results is not presented here. Copies of the financial statements are available from the registered office as shown on page 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42 Explanation of transition to FRS 102

This is the first year that the group has presented its financial statements under FRS 102. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

The group is required to determine its FRS 102 accounting policies and apply them retrospectively to establish its opening balance sheet at 1 January 2014. However, FRS 102 allows a number of exemptions on first-time adoption of FRS 102.

(a) Transitional arrangements

The group has taken advantage of the following transitional arrangement:

Business combinations, including group reconstructions

Business combinations that were entered into prior to 1 January 2014 have not been restated on an FRS 102 basis.

(b) Accounting policy changes

The principle changes in accounting policy that impact the group are as follows:

(i) Goodwill and minority interests

Under previous UK GAAP, when a parent increased its controlling interest in a subsidiary, goodwill was calculated and recognised for each acquisition.

Under FRS 102, no additional goodwill is recognised. The carrying amount of minority interests is adjusted to reflect the change in their ownership, and the difference between the consideration paid and the change in the minority interest, which previously would have been capitalised as goodwill is recognised directly in reserves.

As disclosed in Note 28, during 2014 the group acquired the final 25% of the shares of Lycetts Holdings Limited. This acquisition generated £8,730,000 goodwill which, under previous UK GAAP, was capitalised on the balance sheet. Under FRS 102, prior year goodwill has been reduced by £8,730,000, and has been recognised directly in the non charitable trading reserve.

As the amount of goodwill capitalised under FRS 102 is £8,730,000 lower, the amount of amortisation during the prior year decreased by £582,000, resulting in a higher net income/(expenditure) being recognised in the year.

(ii) Employee benefits

Under previous UK GAAP, the cost recognised in the statement of financial activities for the trading subsidiaries' defined benefit pension schemes included an expected return on plan assets calculated by applying an expected return based on the class of assets held. The difference between the actual return and expected return was recognised in other recognised gains/(losses) in the statement of financial activities.

Under FRS 102, the discount rate is used to calculate the expected return on plan assets. The difference between the actual return and the expected return continues to be recognised in other recognised gains/(losses) in the statement of financial activities.

This has no impact on reserves. Within the statement of financial activities, expenditure arising from trading subsidiaries increased by £5,121,000 with a corresponding adjustment in other recognised gains/(losses). Deferred tax is recognised in line with the underlying movements in the retirement benefit obligations. The FRS 102 restatement decreased taxation recognised in net income/(expenditure) in the prior year by £1,024,000, with a corresponding adjustment recognised in other recognised gains/(losses).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Investment property

Investment property was valued on the basis of open market value under previous UK GAAP. Under FRS 102, investment property is valued at fair value.

As open market value and fair value are broadly equivalent, there is no impact on the financial statements of this change in accounting policy.

(iv) Overseas withholding tax

Under previous UK GAAP, investment income was recognised net of withholding tax suffered on overseas dividends.

Under FRS 102, investment income is grossed-up with the amount of tax withheld, with the amount of tax suffered being included in taxation. Investment income has been grossed up by, and taxation increased by, £258,000 in the unrestricted fund and by £19,000 in the Capital Endowment Fund.

(v) Net gains/(losses) on investments

Net gains/(losses) on investments in the Capital Endowment Fund were not previously included in net income/(expenditure) in the period. This is a requirement of SORP (FRS 102) and consequently £1,187,000 of net investment gains have been recognised in net income/(expenditure).

(vi) Fair value gains on owner occupied property

Fair value gains/(losses) on owner occupied property were recognised, under previous UK GAAP, within net income/(expenditure) for the year. Under FRS 102, they are recognised in other gains/(losses). Gains of £30,000 were reclassified to other gains/(losses). Deferred tax is recognised in line with the underlying movement in the value of the owner occupied property. There was a £10,000 reduction in taxation which has been recognised in other gains/(losses).

Cumulative fair value gains on owner occupied property are recognised in a separate revaluation reserve. £700,000 at 1 January 2014 and £541,000 at 31 December 2014 were reclassified from the non charitable reserve into the revaluation reserve.

(vii) Minority interests

Minority interests were previously recognised within the profit arising from trading activities, but are now presented in other recognised gains/(losses). Minority interests of £9,128,000 have been reclassified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The impact of the adjustments on reserves is as follows:

		1 January 2014				
		Unrestricted fund £000	Endowment fund £000	Revaluation reserve £000	Non charitable trading reserve £000	Translation reserve £000
						Total £000
Reserves reported under previous UK GAAP		2,012	33,365	-	361,981	14,279
Adjustments on transition						
Recognise revaluation reserve	b(vi)	-	-	700	(700)	-
Reserves reported under FRS 102		2,012	33,365	700	361,281	14,279
						411,637
		31 December 2014				
		Unrestricted fund £000	Endowment fund £000	Revaluation reserve £000	Non charitable trading reserve £000	Translation reserve £000
						Total £000
Reserves reported under previous UK GAAP		15,623	35,842	-	359,599	12,583
Adjustments on transition						
Business combinations	b(i)	-	-	-	(8,730)	-
Amortisation of goodwill	b(i)	-	-	-	582	-
Recognise revaluation reserve	b(vi)	-	-	541	(541)	-
Reserves reported under FRS 102		15,623	35,842	541	350,910	12,583
						415,499

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The impact of the adjustments on net income in the period is as follows:

		31 December 2014		
		Unrestricted	Endowment	Total
		fund	fund	
		£000	£000	£000
Net income under previous UK GAAP		28,424	1,290	29,714
Adjustments on transition				
Amortisation of goodwill	b (i)	582	-	582
Retirement benefit obligation	b (ii)	(5,121)	-	(5,121)
Deferred tax on retirement benefit obligation	b (ii)	1,024	-	1,024
Gross-up of investment income	b (iv)	258	19	277
Taxation	b (iv)	(258)	(19)	(277)
Net gains on investments	b (v)	-	1,187	1,187
Fair value gains on owner occupied property	b (vi)	(30)	-	(30)
Deferred tax on fair value gains on owner occupied property	b (vi)	(10)	-	(10)
Minority interests	b (vii)	9,128	-	9,128
Net income under FRS 102		33,997	2,477	36,474

The consolidated statement of financial activities includes a number of presentational changes following the adoption of the Charities SORP (FRS 102). The presentational changes relating to the charity are disclosed in note 18 to the charity financial statements. Additional presentational changes relating to the consolidated financial statements following the adoption of the Charities SORP (FRS 102) and FRS 102 are as follows:

- Deferred tax is no longer netted against the retirement benefit obligations in the balance sheet. Deferred tax assets are recognised in debtors and deferred tax liabilities are recognised in provisions for liabilities.
- The income, expenditure and tax arising on the trading activities of the subsidiary undertakings are separately identified in the statement of financial activities. Investment income and net gains/(losses) on investments are combined with those of the parent charity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43 Related party transactions

Other related parties of the group includes the group's pension plans.

	2015	2014
	£000	£000
Income from transactions with other related parties	918	895
Expenditure arising from transactions with other related parties	38	222
Amounts owed by other related parties	23	59
Amounts due to other related parties	-	40

Transactions with other related parties during the current and prior year includes the investment management fee paid by the group's main defined benefit pension scheme to EdenTree Investment Management Limited, a subsidiary of the group.

44 Financial risk and insurance disclosures in respect of trading subsidiaries

I. Fair value hierarchy

The fair value measurement basis used to value those financial asset and financial liabilities held at fair value is categorised into a fair value hierarchy as follows:

(A) fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities. This category includes listed equities in active markets, listed debt securities in active markets and exchange-traded derivatives.

(B) fair value where a quoted price is not available, but which can be derived from recent transactions for identical assets. This category includes listed debt or equity securities in a market that is not active and derivatives that are not exchange-traded.

(C) fair value estimated using a valuation technique. This category includes unlisted debt and equities, including investments in venture capital and suspended securities.

Analysis of fair value measurement bases	Fair value measurement at the end of the reporting period based on			
	A	B	C	Total
	£000	£000	£000	£000
At 31 December 2015				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	274,294	221	36,304	310,819
Debt securities	524,452	2,289	187	526,928
Derivatives	-	713	-	713
Total financial assets at fair value through profit or loss	798,746	3,223	36,491	838,460
At 31 December 2014 (restated)				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	269,347	209	24,377	293,933
Debt securities	591,542	4,485	238	596,265
Derivatives	-	-	-	-
Total financial assets at fair value through profit or loss	860,889	4,694	24,615	890,198

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

II. Financial risk and capital management

The principal financial risks to which the group is exposed arise from the financial assets, financial liabilities, reinsurance assets and reinsurance liabilities of the trading subsidiaries.

There has been no change from the prior period in the nature of the financial risks to which the group is exposed. The group's management and measurement of financial risks is informed by either stochastic modelling or stress testing techniques.

(a) Credit risk

Credit risk is the risk of non-payment of obligations by counterparties and financial market borrowers. Key areas where the group is exposed to credit risk are:

- reinsurers' share of insurance liabilities (excluding provision for unearned premiums) and amounts due from reinsurers' in respect of claims already paid;
- deposits held with banks;
- amounts due from insurance intermediaries and policyholders; and
- counterparty default on loans and debt securities.

The carrying amount of financial and reinsurance assets represents the group's maximum exposure to credit risk. The group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty. Limits on the level of credit risk are regularly reviewed.

Reinsurance is used to manage insurance risk. This does not, however, discharge the trading subsidiaries' liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the trading subsidiaries remain liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on a regular basis through the year by reviewing their financial strength. There has been no significant change in the recoverability of the trading subsidiaries' reinsurance balances during the year.

Group cash balances are regularly reviewed to identify the quality of the counterparty bank and to monitor and limit concentrations of risk.

The trading subsidiaries' credit risk policies detail prescriptive methods for the collection of premiums and control of intermediary and policyholder debtor balances. The level and age of debtor balances are regularly assessed via monthly credit management reports. These reports are scrutinised to assess exposure in more than one region in respect of aged or outstanding balances. The group has no material concentration of credit risk in respect of amounts due from insurance intermediaries and policyholders due to the well-diversified spread of such debtors.

The debt securities portfolio consists of a range of mainly fixed interest instruments including government securities, local authority issues, corporate loans and bonds, overseas bonds, preference shares and other interest-bearing securities. Limits are imposed on the credit ratings of the corporate bond portfolio and exposures regularly monitored.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Liquidity risk

Liquidity risk is the risk that funds may not be available to pay obligations when due. The trading subsidiaries are exposed to daily calls on their available cash resources mainly from claims arising from insurance contracts. The trading subsidiaries have robust processes in place to manage liquidity risk and have available cash balances, other readily marketable assets and access to funding in case of exceptional need. This is not considered to be a significant risk to the group.

A maturity analysis for the non-derivative financial liabilities of the trading subsidiaries' long-term insurance business is as follows:

	Maturing:			Total £000
	Within 1 year £000	Between 1 & 5 years £000	After 5 years £000	
2015				
Long-term business technical provision	6,354	21,976	57,092	85,422
2014				
Long-term business technical provision	6,014	21,816	66,494	94,324

(c) Market risk

The trading subsidiaries are exposed to market risk (comprising interest rate, currency and equity price risk). The sensitivity of net income/(expenditure) and reserves to movements in market risk variables, each considered in isolation, is shown in the following table:

Variable	Change in variable	Potential increase/ (decrease) in net income/(expenditure)		Potential changes in funds	
		Restated		Restated	
		2015 £000	2014 £000	2015 £000	2014 £000
Interest rate risk	-100 basis points	(6,377)	(4,284)	(29)	(15)
	+100 basis points	2,154	1,243	29	18
Currency risk	-10%	4,195	3,281	7,052	8,010
	+10%	(3,433)	(2,684)	(5,770)	(6,554)
Equity price risk	+/- 10%	24,788	23,074	-	-

The following assumptions have been made in preparing the above sensitivity analysis:

- the value of fixed income investments will vary inversely with changes in interest rates, and all territories experience the same interest rate movement;
- currency gains and losses will arise from a change in the value of sterling against all other currencies moving in parallel;
- equity prices will move by the same percentage across all territories; and
- change in net income/(expenditure) is stated net of tax at the standard rate applicable in each of the group's territories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(i) Interest rate risk

The group's exposure to interest rate risk arises primarily from movements on financial investments that are measured at fair value and have fixed interest rates, which represent a significant proportion of the group's assets, and from those insurance liabilities of the trading subsidiaries for which discounting is applied at a market interest rate. Investment strategy is set in order to control the impact of interest rate risk on anticipated group cash flows and asset and liability values. The fair value of the group's investment portfolio of fixed income securities reduces as market interest rates rise as does the present value of discounted insurance liabilities, and vice versa.

Interest rate risk concentration is reduced by adopting asset-liability duration matching principles where appropriate.

For the group's long-term insurance business, benefits payable to policyholders are independent of the returns generated by interest-bearing assets. Therefore the interest rate risk on the invested assets supporting these liabilities is borne by the group. This risk can be mitigated by purchasing fixed interest investments with durations that precisely match the profile of the liabilities. Policy benefits are linked to the Retail Price Index (RPI). Assets backing these liabilities are also linked to the RPI, and include index-linked gilts and corporate bonds. For practical purposes it is not possible to exactly match the durations due to the uncertain profile of liabilities (e.g. mortality risk) and the availability of suitable assets, therefore some interest rate risk will persist. The group monitors its exposure by comparing projected cash flows for these assets and liabilities and making appropriate adjustments to its investment portfolio.

(iii) Currency risk

Foreign exchange risk arises from recognised assets and liabilities denominated in other currencies and net investments in foreign operations. The group mitigates this risk through the use of derivatives when considered necessary.

The group exposure to foreign currency risk within the investment portfolios arises from purchased investments that are denominated in currencies other than sterling.

The foreign operations of the trading subsidiaries create two sources of foreign currency risk:

- The operating results of the foreign branches and subsidiaries in the consolidated financial statements are translated at the average exchange rates prevailing during the period; and
- the equity investment in foreign branches and subsidiaries is translated into sterling using the exchange rate at the financial year end date.

The largest currency exposures with reference to net assets/(liabilities) are shown below, representing effective diversification of resources:

Restated 2014 £000	2015 £000	Aus \$	45,530	Can \$	32,544	Euro	25,213	USD \$	3,289	NZ \$	2,130	Japanese Yen	1,047
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Equity price risk

Equity price risk exists because of financial investments held by the group which are stated at fair value through profit and loss. The group mitigates this risk by holding a diversified portfolio across geographical regions and market sectors, and through the use of options and futures contracts from time to time which would limit losses in the event of a fall in equity markets.

The concentration of equity price risk by geographical listing, before the mitigating effect of derivatives, to which the group is exposed is as follows:

	2015		Restated
	£000		2014
			£000
UK	269,725	UK	264,716
Europe	36,526	Europe	24,470
Canada	2,257	Canada	2,583
US	2,139	US	1,950
Other	172	Other	214
Total	<u>310,819</u>	Total	<u>293,933</u>

(d) Capital management

The group's primary objectives when managing capital are to:

- comply with the regulators' capital requirements of the markets in which the trading subsidiaries operate; and
- safeguard the group's ability to continue to meet stakeholders' expectations in accordance with the charity's objectives.

The trading subsidiaries are subject to insurance solvency regulations in all the territories in which they issue insurance contracts, and capital is managed and evaluated on the basis of regulatory capital.

The UK regulated subsidiaries are required to comply with rules issued by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA), and submit PRA returns detailing levels of regulatory capital held. Internal capital standards are set above the PRA's minimum requirement. For overseas business the relevant capital requirement is the minimum requirement under the local regulatory regime. All regulated entities within the group have complied with all externally imposed capital requirements throughout the current and prior year.

Regulated subsidiaries are restricted in the amount of cash dividends they transfer to the parent entity in order for them to meet their individual minimum capital requirements.

The group's available capital resource is disclosed in note 42 VIII (iv).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

III. Insurance risk

Through the general and life insurance operations of the trading subsidiaries, the group is exposed to a number of insurance risks. Factors such as the business and product mix, the external environment including market competition and reinsurance capacity all may vary from year to year, along with the actual frequency, severity and ultimate cost of claims and benefits. This subjects the group to underwriting and pricing risk (the risk of failing to ensure disciplined risk selection and achieve the required premium), claims reserving risk (the risk of actual claims payments exceeding the amount being held in reserves) and reinsurance risk (the risk of failing to access and manage reinsurance capacity at a reasonable price).

More detailed information relating to the insurance risk arising from the trading subsidiaries can be found in note 3 of the Ecclesiastical Insurance Office plc annual report and accounts, which is available from the registered office on page 2.

(i) Risk mitigation

The group's underwriting strategy is designed to ensure that the underwritten risks are well diversified in terms of type and amount of risk and geographical spread. Underwriting exposure is protected through the use of a comprehensive reinsurance programme.

(ii) Concentrations of risk

With reference to written premium, the concentrations of insurance risk for the financial year before and after reinsurance by territory is summarised below:

		2015			2014		
		General insurance £000	Long-term insurance £000	Total £000	General insurance £000	Long-term insurance £000	Total £000
2015							
Territory							
United Kingdom and	Gross	230,728	113	230,841	249,182	167	249,349
Ireland	Net	147,533	113	147,646	156,641	167	156,808
Australia	Gross	37,451	-	37,451	40,083	-	40,083
	Net	16,563	-	16,563	6,604	-	6,604
Canada	Gross	39,907	-	39,907	39,365	-	39,365
	Net	30,875	-	30,875	30,253	-	30,253
Total	Gross	308,086	113	308,199	328,630	167	328,797
	Net	194,971	113	195,084	193,498	167	193,665

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IV. Net insurance premium income

	General insurance £000	Long-term insurance £000	Total £000
For the year ended 31 December 2015			
Gross written premiums	308,086	113	308,199
Outward reinsurance premiums	(113,115)	-	(113,115)
Net written premiums	194,971	113	195,084
Change in the gross provision for unearned premiums	3,889	-	3,889
Change in the provision for unearned premiums, reinsurers' share	788	-	788
Change in the net provision for unearned premiums	4,677	-	4,677
Earned premiums, net of reinsurance	199,648	113	199,761
For the year ended 31 December 2014			
Gross written premiums	328,630	167	328,797
Outward reinsurance premiums	(135,132)	-	(135,132)
Net written premiums	193,498	167	193,665
Change in the gross provision for unearned premiums	23,651	-	23,651
Change in the provision for unearned premiums, reinsurers' share	7,527	-	7,527
Change in the net provision for unearned premiums	31,178	-	31,178
Earned premiums, net of reinsurance	224,676	167	224,843

Earned premiums net of reinsurance are included in the income arising from trading activities in the statement of financial activities.

V. Fees, commissions and other acquisition costs arising from insurance business

	2015 £000	2014 £000
Fees paid	665	533
Commission paid	44,477	51,333
Change in deferred acquisition costs	1,754	3,327
Other acquisition costs	13,697	15,067
Fees, commissions and other acquisition costs	60,593	70,260

Fees, commissions and other acquisition costs are included in expenditure arising from trading activities in the statement of financial activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. Deferred acquisition costs

	2015	2014
	£000	£000
At 1 January	31,117	34,757
Increase in the period	28,626	31,267
Release in the period	(30,380)	(34,594)
Exchange differences	(969)	(313)
At 31 December	28,394	31,117
All balances are current.		

Deferred acquisition costs are included in debtors in the balance sheet.

VII. General insurance liabilities and reinsurance assets

	2015	2014
	£000	£000
Gross		
Claims outstanding	551,487	564,298
Unearned premiums	153,697	161,624
Total gross insurance liabilities	705,184	725,922
Recoverable from reinsurers		
Claims outstanding	120,753	107,331
Unearned premiums	49,987	50,134
Total reinsurers' share of insurance liabilities	170,740	157,465
Net		
Claims outstanding	430,734	456,967
Unearned premiums	103,710	111,490
Total net insurance liabilities	534,444	568,457
Gross insurance liabilities		
Current	315,374	318,884
Non-current	389,810	407,038
Reinsurance assets		
Current	98,967	92,728
Non-current	71,773	64,737

Gross insurance liabilities are included in provisions for other liabilities. Reinsurers' share of insurance liabilities is included in debtors.

(i) Reserving methodology

Reserving for general business insurance claims is a complex process and the trading subsidiaries adopt recognised actuarial methods, and, where appropriate, other calculations and statistical analysis. Actuarial methods used include chain ladder, the Bornhuetter-Ferguson and average cost methods.

(ii) Uncertainty margin

To reflect the uncertain nature of the outcome of the ultimate settlement cost of claims an uncertainty margin is added to the best estimate. The addition for uncertainty is assessed using actuarial methods including the Mack method and Bootstrapping techniques, based on at least the 75th percentile confidence level for each portfolio.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Discounting

General insurance outstanding claims provisions are undiscounted, except for designated long-tail classes of business for which discounted provisions are held in the following territories:

Geographical territory	Discount rate		Mean term of discounted liabilities (years)	
	2015	2014	2015	2014
UK and Ireland	1.0% to 3.5%	0.8% to 3.3%	15	14
Canada	1.1% to 3.2%	1.3% to 3.0%	14	14
Australia	2.0%	2.3%	4	4

At the end of the year the undiscounted gross outstanding claims provision was £603,735,000 (2014: £606,259,000).

(iv) Assumptions

The most significant assumptions in determining the undiscounted general insurance reserves are the anticipated number and ultimate settlement cost of claims, and the extent to which reinsurers will share in the cost. Factors which influence decisions on assumptions include legal and judicial changes, significant weather events, other catastrophes, subsidence events, exceptional claims or substantial changes in claims experience and developments in older or latent claims. Significant factors influencing assumptions about reinsurance are the terms of the reinsurance treaties, the anticipated time taken to settle a claim and the incidence of large individual and aggregated claims.

There were no significant changes in assumption during the year.

(v) Claims development tables

The nature of liability classes of business is that claims may take a number of years to settle and before the final liability is known. The tables below show the development of the undiscounted estimate of ultimate gross and net claims cost for these classes across all territories.

Estimate of gross ultimate claims											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At end of year	45,688	50,840	56,420	74,742	84,476	82,095	100,612	81,725	61,901	46,464	
One year later	45,900	47,307	53,552	59,807	75,550	76,371	88,046	80,027	50,571		
Two years later	40,092	43,270	47,643	55,250	62,239	71,543	78,196	69,860			
Three years later	36,168	35,510	44,658	57,134	66,422	68,587	72,516				
Four years later	30,791	35,556	40,433	55,695	61,330	60,841					
Five years later	28,470	34,925	37,546	58,631	62,074						
Six years later	27,154	34,036	37,864	54,942							
Seven years later	27,377	33,917	37,289								
Eight years later	28,534	33,028									
Nine years later	28,637										
Current estimate of ultimate claims	28,637	33,028	37,289	54,942	62,074	60,841	72,516	69,860	50,571	46,464	516,222
Cumulative payments to date	(22,954)	(27,910)	(30,915)	(43,347)	(45,397)	(38,339)	(30,248)	(21,720)	(4,973)	(826)	(266,629)
Outstanding liability	5,683	5,118	6,374	11,595	16,677	22,502	42,268	48,140	45,598	45,638	249,593
Effect of discounting											(16,085)
Present value											233,508
Discounted liability in respect of earlier years											119,772
Total discounted gross liability (for liability classes) included in insurance liabilities in the balance sheet											353,280

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Estimate of net ultimate claims											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At end of year	41,007	46,235	51,795	64,476	73,218	75,302	88,247	76,729	59,633	42,739	
One year later	40,976	43,107	48,432	53,700	64,796	72,336	79,272	66,475	47,690		
Two years later	35,783	38,979	44,498	50,805	57,758	68,057	73,735	60,075			
Three years later	33,145	34,180	42,524	50,168	59,353	66,822	69,837				
Four years later	30,283	35,004	39,321	50,062	55,975	60,314					
Five years later	28,230	34,688	37,208	49,879	57,012						
Six years later	26,926	33,702	37,606	48,960							
Seven years later	27,150	33,718	37,089								
Eight years later	28,016	32,819									
Nine years later	28,237										
Current estimate of ultimate claims	28,237	32,819	37,089	48,960	57,012	60,314	69,837	60,075	47,690	42,739	484,772
Cumulative payments to date	(22,808)	(27,723)	(30,715)	(39,551)	(41,253)	(37,972)	(29,679)	(14,932)	(4,937)	(809)	(250,379)
Outstanding liability	5,429	5,096	6,374	9,409	15,759	22,342	40,158	45,143	42,753	41,930	234,393
Effect of discounting											(16,085)
Present value											218,308
Discounted liability in respect of earlier years											101,878
Total discounted net liability (for liability classes) included in insurance liabilities in the balance sheet											320,186

VIII. Long-term business insurance liabilities

	2015	2014
	£000	£000
Gross long-term business claims outstanding	84	81
Gross long-term business provision	85,422	94,324
	<u>85,506</u>	<u>94,405</u>
Current	6,438	6,095
Non-current	79,068	88,310

(i) Assumptions

The most significant assumptions in determining long-term business reserves are as follows:

Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. Where prudent, an allowance is made for future mortality improvements based on trends identified in population data.

Investment returns

Projected investment returns are based on actual yields for each asset class less an allowance for credit risk, where appropriate.

The investment return assumption is determined by calculating an overall yield on all cash flows projected to occur from the portfolio of financial assets which are assumed to back the relevant class of liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Changes in assumptions

Projected investment returns have been revised in line with the changes in the actual yields of the underlying assets. As a result, liabilities have decreased by £2.2m (2014: £7.3m increase).

Changes to renewal expense assumptions (described in (i) above), was a £0.3m increase (2014: no effect on insurance liabilities).

Mortality assumptions have been revised for funeral plan policies to be based on a more recent population mortality table and to reflect experience of the portfolio over recent years. The impact of this change was a reduction in liabilities of £0.4m.

(iii) Sensitivity analysis

The sensitivity of the net income/(expenditure) before tax of the trading subsidiaries to changes in the key assumptions used to calculate the long-term business insurance liabilities is shown in the following table. No account has been taken of any correlation between the assumptions.

Assumption	Change in assumption	Potential increase/ (decrease) in net income/ (expenditure)	
		2015 £000	2014 £000
Deterioration in annuitant mortality	+10%	300	500
Improvement in annuitant mortality	-10%	(400)	(600)
Increase in fixed interest/cash yields	+1% pa	(100)	1,000
Decrease in fixed interest/cash yields	-1% pa	(400)	(1,700)
Worsening of base renewal expense level	+10%	(600)	(600)
Improvement in base renewal expense level	-10%	500	500
Increase in expense inflation	+1% pa	(800)	(900)
Decrease in expense inflation	-1% pa	700	700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iv) Available capital resources

	Non-profit life fund £000	Share- holders' fund £000	Total long-term business £000	Other activities £000	Group total £000
2015					
Shareholders' equity	(312)	44,833	44,521	388,478	432,999
Adjustments to assets/liabilities	7,500	(7,500)	-	(65,215)	(65,215)
Total available capital resources	7,188	37,333	44,521	323,263	367,784
Policyholder liabilities					
- life insurance business	85,422	-	85,422		
Net actuarial liabilities on balance sheet	85,422	-	85,422		
2014 (restated)					
Shareholders' equity	(1,314)	43,008	41,694	373,805	415,499
Adjustments to assets/liabilities	7,500	(7,500)	-	(52,209)	(52,209)
Total available capital resources	6,186	35,508	41,694	321,596	363,290
Policyholder liabilities					
- life insurance business	94,324	-	94,324		
Net actuarial liabilities on balance sheet	94,324	-	94,324		

Total reserves of the non-profit life fund represents the net profit or loss generated by this fund not transferred, to date, to the shareholders' fund. The shareholders' fund is the balance of group reserves in the long-term business.

Other activities include the general insurance business of group companies, and consequently all group capital not required to meet the solvency requirements of the general business is available to meet the solvency requirements of the life business. The available capital resources in the non-profit life fund, subject to the regulatory capital requirements of the fund itself, are available to meet requirements elsewhere in the group. The capital requirements of the life business are based on the PRA capital requirements.

The trading subsidiaries use both their Individual Capital Assessment and Individual Capital Guidance as tools for determining capital requirements and their sensitivity to various risks. These risks are managed by means of their underwriting strategy, reinsurance strategy, investment strategy, and management control framework.

(v) Movements in long-term insurance capital

	Non-profit life fund £000	Share- holders' fund £000	Total long-term business £000
Published capital resources as at 31 December 2014	6,186	35,508	41,694
Variance between actual and expected experience	249	-	249
Effect of changes to valuation interest rates	670	-	670
Effect of change to expense assumption	(393)	-	(393)
Effect of change in inflation assumption	32	-	32
Other movements	444	1,825	2,269
Capital resources as at 31 December 2015	7,188	37,333	44,521

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IX. Movements in insurance liabilities and reinsurance assets

	Group £000	Reinsurance £000	Net £000
Claims outstanding			
At 1 January 2015	564,380	(107,331)	457,049
Cash (paid)/received for claims settled in the year	(174,263)	50,721	(123,542)
Change in liabilities/reinsurance assets	172,818	(66,925)	105,893
Exchange differences	(11,364)	2,782	(8,582)
At 31 December 2015	551,571	(120,753)	430,818
Provision for unearned premiums			
At 1 January 2015	161,624	(50,134)	111,490
Increase in the period	154,575	(50,038)	104,537
Release in the period	(158,464)	49,250	(109,214)
Exchange differences	(4,038)	935	(3,103)
At 31 December 2015	153,697	(49,987)	103,710
Long-term business provision			
At 1 January 2015	94,324	-	94,324
Effect of claims during the year	(7,111)	-	(7,111)
Changes in assumptions	(1,988)	-	(1,988)
Other movements	197	-	197
At 31 December 2015	85,422	-	85,422
Claims outstanding			
At 1 January 2014	569,179	(89,472)	479,707
Cash (paid)/received for claims settled in the year	(195,279)	43,034	(152,245)
Change in liabilities/reinsurance assets	195,292	(62,306)	132,986
Exchange differences	(4,812)	1,413	(3,399)
At 31 December 2014	564,380	(107,331)	457,049
Provision for unearned premiums			
At 1 January 2014	186,642	(43,121)	143,521
Increase in the period	162,393	(50,549)	111,844
Release in the period	(186,044)	43,022	(143,022)
Exchange differences	(1,367)	514	(853)
At 31 December 2014	161,624	(50,134)	111,490
Long-term business provision			
At 1 January 2014	92,446	-	92,446
Effect of claims during the year	(7,176)	-	(7,176)
Changes in assumptions	7,317	-	7,317
Other movements	1,737	-	1,737
At 31 December 2014	94,324	-	94,324

X. Claims equalisation provision

The claims equalisation provision, established in accordance with the Prudential sourcebook for Insurers, is included within provisions for liabilities, albeit it does not represent a liability at the balance sheet. It is in addition to the provisions required to meet the anticipated ultimate cost of settling claims at the balance sheet date. A £342,000 decrease (2014: £538,000 decrease) in the provision was recognised during the year within expenditure arising on trading activities. The provision at 31 December 2015 is £24,957,000 (2014: £25,299,000).

SUPPLEMENTARY INFORMATION
(UNAUDITED)

SUPPLEMENTARY INFORMATION (UNAUDITED)

During the year, the charity made the following grants to Church of England Cathedrals:

	2015 £000
Church of England Cathedrals:	
Birmingham Cathedral	22
Blackburn Cathedral	22
Bradford Cathedral	22
Bristol Cathedral	22
Bury St Edmunds Cathedral	22
Canterbury Cathedral	22
Carlisle Cathedral	22
Cathedral of the Holy Trinity, Gibraltar	22
Chelmsford Cathedral	22
Chester Cathedral	22
Chichester Cathedral	22
Coventry Cathedral	22
Derby Cathedral	22
Durham Cathedral	22
Ely Cathedral	22
Exeter Cathedral	22
Gloucester Cathedral	22
Guildford Cathedral	22
Hereford Cathedral	22
Leicester Cathedral	22
Lichfield Cathedral	22
Lincoln Cathedral	22
Liverpool Cathedral	22
Manchester Cathedral	22
Newcastle Cathedral	22
Norwich Cathedral	22
Peel Cathedral	22
Peterborough Cathedral	22
Portsmouth Cathedral	22
Ripon Cathedral	22
Rochester Cathedral	22
Salisbury Cathedral	22
Sheffield Cathedral	22
Southwark Cathedral	22
Southwell Minster	22
St Albans Cathedral	22
St George's Chapel, Windsor	22
St Paul's Cathedral	22
Truro Cathedral	22
Wakefield Cathedral	22
Wells Cathedral	22
Westminster Abbey	22
Winchester Cathedral	22
Worcester Cathedral	22
York Minster	22

SUPPLEMENTARY INFORMATION (UNAUDITED)

During the year, the charity made the following large grants, above £3,000:

	2015 £000
Large grants, above £3,000:	
Aberdeen Cathedral	11
Abington Christian Centre, Northampton	25
All Saints' Church, Liverpool	4
All Saints' Church, Naborough	4
All Saints' Parish Church, Otley	6
Anglican Church of Canada Toronto	40
Anglican Social Services - Centre 454, Ottawa, Canada	13
Art and Christian Enquiry, London	5
Ashton Church of the Nazarene, Ashton-under-Lyne	14
Baildon Methodist Church, West Yorkshire	7
Ballygrainey Presbyterian Church, Bangor	9
Bangor Cathedral	11
Bell Farm Christian Centre, West Drayton	5
Bemerton Community, Salisbury	6
Bilton Area Methodist Church, Harrogate	8
Bletchingley Church House Charity, Surrey	6
Boston Spa Methodist Church, West Yorkshire	5
Brecon Cathedral	11
Brentwood Vineyard Church	4
Bridge Street Pentecostal Church	30
Broadway Baptist Church	14
Buckland United Reformed Church, Portsmouth	5
Bunyan Meeting	8
Bury Baptist Church, Lancashire	5
Carlisle Cathedral	25
Castlemilk Parish Church	12
Cathedral Church of St Ninian, Perth	8
Chelmsford Diocesan House of Retreat, Pleshey	25
Chipping Sodbury Baptist Church	9
Christ Church, Bedford	20
Christchurch Baptist Welwyn Garden City CIO	22
Church Housing Trust, London	5
Church of England Birmingham Board of Finance	30
Cirencester Baptist Church	30
Compton Verney House Trust - Warwickshire	5
Culloden Baptist Church, Inverness	10
Cumbræ Cathedral	11
Diocese of Ottawa, Canada	30
Dornoch Cathedral	8
Dublin Cathedral	11
Dumfries Baptist Church	40
Dunchurch Baptist Church, Warwickshire	8
Dundee Cathedral	11
Eaglesham Parish Church, Glasgow	7
Edinburgh Cathedral	22

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Large grants, above £3,000 (continued):	
Fitzroy Presbyterian Church, Belfast	11
Fullarton Parish Church of Scotland	13
Glasgow Cathedral	11
Glasgow Evangelical Church	5
Govan and Linthouse Parish Church	7
Great St. Mary's Church, Cambridge	4
Hebron Evangelical Church, Aberdeen	10
Hemel Hempstead Methodist Church	25
Hillington Park Church, Glasgow	5
Histon Methodist Church, Cambridge	5
Holy Trinity and St Mary's Church, Guildford	5
Holy Trinity Church, Cambridge	40
Holy Trinity Church, Darlington	5
Holy Trinity Church, Fareham	5
Holy Trinity Church, Hull	55
Holy Trinity Church, Kimberley	6
Holy Trinity Church, Stratford-upon-Avon	10
Inchture Parish Church, Perthshire	6
Inverness Cathedral	11
Joel Community Trust	4
King Charles the Martyr Church, Falmouth	5
Limerick - St Mary's Cathedral - Republic of Ireland	11
Llandaff Cathedral	22
Minsteracres Retreat Centre, Consett	12
Monkton Combe School, Bath	10
Monmouth Cathedral	11
Moorlands College - Christchurch, Dorset	10
Newport Minster - Isle of Wight	4
Newton Wallacetown Church of Scotland, Ayr	5
Northamptonshire Association of Youth Clubs, Whitmore Lakes, Lichfield	5
Oasis Christian Centre, Redditch (Elim)	8
Oban Cathedral	11
Parish Church of St Petroc, South Brent	4
Parish of Mortlake with East Sheen	6
Peakirk cum Glington Church of England Primary School	5
Perth Cathedral	11
Princes Risborough Baptist Church	7
Rainbow Living	5
Reading Community Church	9
Redland Parish Church, Bristol	20
Representative body of the Church of Ireland - Dublin	92
Sanctury Mental Health Ministries	8
Sark Methodist Church, Channel Islands	10
The Sheffield Church of the Nazarene, South Yorkshire	6
Sion Mills Presbyterian Church, Tyrone	5

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Large grants, above £3,000 (continued):	
St Andrew's Church, North Oxford	25
St Andrew's Church, Stoke Newington	5
St Andrew's United Reformed Church, Walton-on-Thames	4
St Anne's Cathedral, Belfast	11
St Asaph Cathedral	11
St Bartholomew's Church, Dublin	10
St Brigid's Cathedral, Kildare	11
St Canice's Cathedral, Kilkenny	11
St Chad's Church, Woodseats	4
St Columb's Cathedral, Derry	11
St David's Cathedral	22
St David's Church, Exeter	9
St Ethelburga's Centre for Reconciliation and Peace, London	18
St Fethlimidh's Cathedral, Kilmore	11
St Fin Barre's Cathedral, Cork	11
St Francis and the Engine Room Church, London	30
St Giles' Church, Pontefract	5
St Helen's Church, Ashby de la Zouch	7
St John and St James' Church, Church of England	8
St John the Baptist Church, Erith	13
St John the Evangelist Church, Meadowfield	7
St John the Evangelist Church, Upper Norwood	10
St John the Evangelist Church, Walworth	20
St John's Church, Sharow	5
St John's Methodist Church Settle	4
St Macartan's Cathedral, Enniskillen	11
St Madoes and Kinfauns Parish Church	16
St Mark's Church, Bilton	4
St Mary the Virgin Church, Mirfield	5
St Mary the Virgin Church, Wollaston	4
St Mary the Virgin Scottish Episcopal Church, Hamilton	10
St Mary's Cathedral, Tuam	11
St Mary's Church, Chalgrove PCC	10
St Mary's Church, Cubbington	4
St Mary's Parish Church, Beverley	5
St Patrick's Cathedral, Armagh	11
St Patrick's Cathedral, Dublin	11
St Paul's Church, Leamington Spa	11
St Paul's Church, Penketh	8
St Peter's Church, Fulham	4
St Peter's Church, Hammersmith	5
St Peter's Church, Hextable, Kent	12
St Peter's Church, Ropley	30
St Peter's Church, Wrecclesham	4
St Thomas the Apostle Church, Exeter	5

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Large grants, above £3,000 (continued):	
St. Gabriel's Church Popley with Limespark and Rooksdown	7
St. Just Free Church, Cornwall	4
St. Matthew's Church, Cambridge	5
Stafford Elim Christian Centre	9
Stevenston Ardeer Parish Church of Scotland, Ayrshire	7
Tabernacle Baptist Church, Newbridge, Caerphilly	10
Teddington Methodist Church, Middlesex	6
The Anglican Church of Canada, Toronto	13
The Church's Ministry of Healing – The Mount	5
The Diocese of Aberdeen	6
The Diocese of Argyll	4
The Diocese of Bangor	14
The Diocese of Brechin	7
The Diocese of Edinburgh	19
The Diocese of Glasgow and Galloway	14
The Diocese of Llandaff	46
The Diocese of Monmouth	22
The Diocese of Moray	4
The Diocese of St Andrews	7
The Diocese of St Asaph	23
The Diocese of St Davids	24
The Diocese of Swansea and Brecon	19
The Friends of St Andrew's Church, Donhead St Andrew	4
The General Synod of the Scottish Episcopal Church Nominees	18
The Harrold Centre - Harrold, Bedfordshire	4
The Landmark Trust	8
The New Sixth, Bath	10
The Representative Body of the Church in Wales	183
The Trustees of the Grammar School of King Edward VI at Stratford-upon-Avon	17
The Yonge Street Mission, Toronto, Canada	38
Tove Valley Baptist Fellowship, Towcester	16
Trinity with Rush Green Methodist Church	9
Tullyallen Presbyterian Church, Armagh	5
Viewfield Baptist Church, Dunfermline	7
Warlingham Methodist Church, Surrey	6
Wesley Methodist Church, Leigh-on-Sea	6
West Auckland Community Church, County Durham	7
Whiteknights Emergency Voluntary Service, Huddersfield	5
Wrockwardine - St Peter's Church - Shropshire	8
YMCA of Greater Toronto	23

SUPPLEMENTARY INFORMATION (UNAUDITED)

During the year, the charity made the following small grants, below £3,000:

	2015 £000
Small grants, below £3,000:	
Aberdeen Passion Plays	1
Airedale NHS Trust Foundation, West Yorkshire	1
All Hallows' Church, Almondbury	1
All Hallows Church, Cheadle	1
All Saints' Church, Alburgh	1
All Saints' Church, Alrewas	2
All Saints' Church, Barnby-in-the-Willows	1
All Saints' Church, Beckingham, Lincoln	1
All Saints' Church, Blakeney	1
All Saints' Church, Clevedon	1
All Saints' Church, Crondall	2
All Saints' Church, Croughton	2
All Saints' Church, Down Ampney	1
All Saints' Church, Easington	1
All Saints' Church, East Stratton	2
All Saints' Church, East Winch	2
All Saints' Church, Elm	1
All Saints' Church, Eyton	1
All Saints' Church, Filby	2
All Saints' Church, Gosforth	2
All Saints' Church, Hollingbourne	1
All Saints' Church, Houghton	1
All Saints' Church, Hundon	3
All Saints' Church, Hurworth	1
All Saints' Church, Inworth	1
All Saints' Church, Kirk Deighton	1
All Saints' Church, Lampport, Northampton	1
All Saints' Church, Lathbury	2
All Saints' Church, Liddington, Wiltshire	2
All Saints' Church, Little Bealings	1
All Saints' Church, Merriott	1
All Saints' Church, Milford on Sea	2
All Saints' Church, Murston	2
All Saints' Church, Necton	1
All Saints' Church, Newton on Ouse	3
All Saints' Church, North Moreton	2
All Saints' Church, Ragdale	2
All Saints' Church, Rampton	1
All Saints' Church, Rennington	1
All Saints' Church, Rettendon	2
All Saints' Church, Somerby	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
All Saints' Church, South Wingfield	2
All Saints' Church, Staveley	1
All Saints' Church, Stisted	3
All Saints' Church, Swallowfield	1
All Saints' Church, Thelwall	2
All Saints' Church, Wick	2
All Saints' Church, Wing	1
All Saints' Church, Winterton	3
All Saints' Church, Woodton	1
All Saints' Parish Church, Bingley	2
All Saints' Parish Church, Elton	1
All Souls Church Of England, Eastbourne	1
Alloway Parish Church of Scotland - Ayr	1
Alpha Ireland	2
ALTERnativity, Glasgow	1
Angersleigh PCC (Village Room Account)	2
Ayr St Quivox Parish Church, Ayr	2
Balfron Church, Glasgow	1
Ballymore Parish Church, Tandragee	3
Ballysally Presbyterian Church, Coleraine	1
Banbury and Evesham Area Quaker Meeting, Oxfordshire	1
Barnabus, Manchester	3
Barnard Castle United Reformed Church	1
Beacon Hill United Reformed Church, Hindhead	2
Bellie Parish Church of Scotland, Fochabers	2
Berinsfield Church and Community Hall, Oxford	1
Berwick Parish Church, Northumberland	1
Bethel Community Church, Newport	2
Bethel Methodist Church, Mansfield	2
Bethel Methodist Church, Porth	1
Bewdley Methodist Church, Worcestershire	1
Bildeston Baptist Church, Suffolk	1
Bishop Street Methodist Church, Leicester	2
Bishopstrow Village Hall, Wiltshire	1
Blaenycwm Chapel, Rhondda Cynon Taf	1
Bloxwich Parish Church (Holy Ascension) - West Midlands	2
Boconnoc Church, Cornwall	2
Bognor Vineyard Church, West Sussex	1
Brighouse, Leeds and Settle Monthly Meetings Buildings Charity	1
Brighton and Hove City Mission	1
Broughton Community Action	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
Brunswick Baptist Church, Gloucester	1
Burton Youth for Christ, Staffordshire	1
Calary Parish Church, Co. Wicklow	1
Calderwood Baptist Church, East Kilbride	1
Cambridge Road Methodist Church, Kings Heath	2
Cambridge Street Methodist Church, Accrington	2
Cambuslang Baptist Church, Glasgow	2
Cardinal Hume Centre, London	1
Castle Point Social Car Scheme Limited, Benfleet	1
Castlemilk Community Church, Glasgow	1
Cathedral Education Department, Southwell Cathedral	1
'Central' (Locks Heath Free Church)	1
Central Methodist Church, Glossop	1
Centre for Law and Religion, The Law School, Cardiff	1
Charlemont Methodist Church, West Bromwich	1
Chelmsford Cathedral	2
Cheltenham College Charitable Trust, Gloucestershire	1
Cherubim and Seraphim Church of Zion, London	2
Chicheley Village Hall, Buckinghamshire	1
Chinnor Methodist Church, Oxford	2
Chirk Methodist Church, Wrexham	1
Christ Church Church of England (aided) Primary School, Moreton	1
Christ Church, Billericay	2
Christ Church, Bridlington	1
Christ Church, Camberwell	2
Christ Church, Chester	1
Christ Church, Healey	2
Christ Church, Netherley	1
Christ Church, Rossett	1
Christchurch Pre-school, Quinton	1
ChristChurch, Grantham	2
Christchurch, Lanner	1
Christchurch, Moreton	1
Christian Fellowship Ministry, Stockton-on-Tees	2
Church Army, Sheffield	1
Church House, Cheddar	2
Church of All Saints, Great Melton, Norfolk	2
Church of God of Prophecy, Tooting	1
Church of our Lady of Perpetual Help	1
Church of St Margaret, Templeton	1
Church of St Michael & All Angels, Mount Dinham, Exeter	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
Church of St Nonna, Altarnun	2
Church of St Peter and St Mary, Stowmarket	1
Church of St Peter, Grandborough	2
Church of The Holy Rood, Empshott	1
Church of the Holy Trinity, Chantry	1
Church of the Resurrection, Upton Priory	3
Civic Voice, Liverpool	3
Clayton Baptist Church, West Yorkshire	2
CLCGB (Church Lads' and Church Girls' Brigade), Rotherham	1
Cleveleys Park Methodist Church, Thornton Cleveleys	1
Coatham House, Redcar	1
Coleford Baptist Church - Gloucestershire	1
Copthorne - St John the Evangelist Church - West Sussex	2
Countess Free Church, Ely	2
Crisis Centre Ministries, Bristol	1
Crowland Abbey (The Blessed Virgin Mary, St Bartholomew and St Guthlac Church), Lincolnshire	2
Darlington Street Methodist Church, Wolverhampton	2
DENS, Hemel Hempstead	1
Destiny House International Church, Wembley	2
Douglas Union of Parishes, Cork	1
Dublin Civic Trust	1
Dunscore Parish Church, Dumfriesshire	2
East Bristol Advice & Information Centres	2
Edinburgh - Portobello Baptist Church	2
EFGA Barking - Impact Youth, Essex	1
Eglwys Newydd Hafod Church, Cwmystwyth, Aberystwyth, Ceredigion.	1
Elim Family Church, Eastbourne	1
Ely Cathedral Education Trust	3
Emmanuel Church, Bestwood	1
Emmanuel Church, Wylde Green	2
Emmaus Norwich	1
English Martyrs Catholic Church, Goring by Sea	1
Evangel Church, Chester-le-Street	1
Father's House, Shaftesbury	1
Fegans, Tunbridge Wells	2
Ferndown Parish Church (St. Mary's) - Dorset	2
Fischy Music, Edinburgh	1
Friends of Holy Innocents Church Lamarsh, Essex	1
Friends of St Lawrence Newland Church, Essex	3
Friends of St Mary's Church, Chiddingfold	2
Friends of St. Mary de Haura Church, Shoreham-by-Sea	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
Friends of the Holy Land	1
Friends of Zeals St Martins Church, PCC of Upper Stour	1
George Road Community Church, West Bromwich	1
Gladstone's Library, Hawarden	1
Gloucester Cathedral	1
Great Doddington United Reformed Church, Northamptonshire	1
Hall adjoining St Matthew's Church, Treorchy	1
Happy Days Children's Charity - Luton, Bedfordshire	1
Hardwick Evangelical Church, Cambridgeshire	1
Harmony Youth Project, Bolton	1
Harnhill Centre of Christian Healing, Gloucestershire	1
Hattersley Baptist Church	2
Haven Church, Pembroke	1
Hereford Baptist Church	1
Hereford Cathedral	1
High Town Methodist Church, Luton	1
Higher Ground Assembly, Croydon	2
Highfield Trinity Methodist Church, Sheffield	1
Holland-on-Sea Baptist Church, Essex	1
Holy Cross Church, Llwynderw	2
Holy Cross Church, Tetcott	1
Holy Cross Church, Whorlton	1
Holy Cross Primary Catholic Voluntary Academy, Hucknall	1
Holy Spirit Catholic Primary School, St Helens	2
Holy Trinity Church, Ballymore	1
Holy Trinity Church, Bosbury	3
Holy Trinity Church, Bridgwater	1
Holy Trinity Church, Colden Common	2
Holy Trinity Church, Coventry	1
Holy Trinity Church, Dunfanaghy, Co Donegal	2
Holy Trinity Church, Embleton	2
Holy Trinity Church, Haddington	2
Holy Trinity Church, Hinton-in-the-Hedges	1
Holy Trinity Church, Lenton	3
Holy Trinity Church, Llandrindod Wells	2
Holy Trinity Church, West End, Surrey	1
Holy Trinity Church, Weston, Southampton	1
Holy Trinity Church, Wysall	1
Holy Trinity, Hardwicke	1
Honiton Family Church	2
Hope Baptist Church (part of Yorkshire Baptist Association), Hebden Bridge	3

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
Hornsea United Reformed Church, East Yorkshire	1
Ibstock Parish Church, Leicestershire	1
ICE Ilfracombe, Devon	1
Ifield Quaker Meeting, West Sussex	2
Ilkeston Church of the Nazarene	1
Immanuel and St Andrew's Church, Streatham	1
Influence Church, Richmond	1
John Oxnam Charity	2
Kahaila, London	2
Kainos Community, Runcorn	2
Katharine House Hospice, Stafford	1
Keech Hospice Care, Streatley	2
Kelvedon United Reformed Church, Essex	1
Killinkere Parish Church of Ireland, Virginia	1
Kilmakee Presbyterian Church, Dunmurry	3
King's Arms Project, Bedford	1
Kingshill Church School - Bath & Wells Multi Academy Trust	1
Kirkcaldy Area Reachout Trust, Fife	1
Knutsford Methodist Church, Cheshire	2
Lamphey Parish Church (St. Faith & St. Tyfai) - Pembrokeshire	2
Latymer Christian Fellowship Trust, London	1
Launde Abbey Trust, Leicestershire	2
Limavady Methodist Church, Ireland	1
Linthorpe Road Methodist Church, Middlesbrough	1
Little Kimble Free Church, Buckinghamshire	2
Liverpool Parish Church	1
Llan Band Dyffryn Clwyd Mission Area/Deanery, Ruthin	1
Llandegla Parish Church (St. Tecla's) - Denbighshire	2
Love Bristol	1
Luton Christian Fellowship	3
Lydney - St Mary's Church - Gloucestershire	2
Lynch Chapel URC/Baptist, Winscombe	1
Maidstone Churches Winter Shelter, Kent	1
Malvern - Christ Church - Worcestershire	3
Malvern Museum of Local History	2
Manchester Diocese, P.C.C. Christ Church West Didsbury and St Christopher's Withington, Manchester	1
Manchester Universities' Catholic Chaplaincy	1
Manselton Welsh Baptist Chapel, Swansea	1
Melbourne Parish Church, Derby	2
Menzieshill Parish Church, Dundee	2
Middleton Park Baptist Church, West Yorkshire	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
Mission in the Economy, Liverpool	1
Monaghan Parish Church, Ireland	1
Moreton Pinkney PCC, Northamptonshire	1
Mothers' Union	2
Motherwell Evangelical Union Congregational Church, North Lanarkshire	1
Mullion Methodist Church, Cornwall	1
n:flame, Enfield	1
Nenagh Union of Parishes, Ireland	2
Networkfour, Birmingham	1
New Hope, Watford	2
New Life Christian Church, Abercarn	1
New Life City Church, Belfast	1
New Life Pre-School and Nursery, Wakefield	1
New Testament Church of God, Gloucester	1
Newbiggin-on-Lune Methodist Church, Cumbria	2
Newcastle Cathedral	1
Noah's Ark Children's Venture, Eastleach	1
Norton Baptist Church, Stockton-on-Tees	3
Old Newton Church of England V.C. Primary School, Suffolk	2
Our Lady & St Benedict Catholic Church, Abbey Hulton	2
Our Lady of Compassion Catholic Primary School, Olton	1
Oxford Diocesan Council For Social Work Incorporated - Parents And Children Together (PACT)	3
P.E.O.P.L.E., Midsomer Norton	1
Parish Church of St John the Baptist, Widford	1
Parish Church of St Mary Magdalene, Whipsnade	2
Parish Church of St Mary the Virgin, Denbury	2
Parish of St Cross with St Faith, Winchester	1
Parish of St Francis of Assisi, Millom	2
Park United Reformed Church, Reading	1
Parkstone United Reformed Church, Poole	2
PCC of St Peter Little Thurlow	1
PCC of Ecclesiastical Parish of Studley and Mappleborough Green	1
PCC of Pangbourne with Tidmarsh and Sulham, Berkshire	2
PCC of Stamford All Saints' with St John the Baptist, Lincolnshire	1
Penryn Methodist Church, Cornwall	1
Perth Methodist Church	3
Philip Lank Trust, Grantham	1
Phyliss Tuckwell Hospice Care, Farnham	1
Pontypridd Children's Contact Centre	1
Portsmouth Community Church, Havant	1
Presbyterian Tabernacle Gorseinon, Swansea	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
Priordy Chapel, Carmarthen	1
Pulford V A Lower School, Leighton Buzzard	1
Purbeck Gateway Church, Dorset	1
R Charity (Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds)	1
Rayne Church /Culsalmond and Rayne	1
RCCG - Rose of Sharon Church, London	1
RCCG Solid Rock Parish, Derby	1
Reeth Evangelical Congregational Church, North Yorkshire	1
Rest Haven Residential Home, Exmouth	2
Riddlesden United Reformed Church, West Yorkshire	1
Roots Coffee and Community Social Enterprise CIC, Gloucester	1
Sackvill Road Methodist Church, Bexhill-on-Sea	1
Saint Gabriel Swansea	1
Saint John the Apostle and Evangelist Church, Watford	2
Saint Oswald's Church, Lower Peover	2
Sapcote Methodist Church, Leicestershire	1
Saxilby PCC - St Botolph's Church, Saxilby	2
Scothern Parish Church, Lincolnshire	1
Scottish Episcopal Church, Kilmarnock	1
SCRATCH, Southampton	2
Scripture Union Scotland, Glasgow	2
Seaham Methodist Church	2
Second Killyleagh Presbyterian Church, Downpatrick	2
Seion Newydd Baptist Chapel, Morriston	1
Selby Abbey, North Yorkshire	2
Serbian Orthodox Church of St Sava, London	1
Sevenways Methodist Church, Stretford	1
SHARE Centre, Newport	1
Shottisham Parochial Church Council, Suffolk	2
Siddington Trust Ltd, Macclesfield	2
Solihull Methodist Church	2
Southwell Minster	2
SPCK, London	3
SS Peter & Paul Church, Oulton	2
St Adamnan's Episcopal Church, Duror	1
St Agatha's Church, Brightwell-cum-Sotwell	1
St Aidan's Church Hall, Walton	1
St Aidan's Church of Ireland, Grange	2
St Aidan's Church, Hellifield	1
St Aidan's Church, Rochdale	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St Alban's Church, Offerton	2
St Andrew and St Peter's Church, Longham	1
St Andrew's Catholic Church, Tenterden	2
St Andrew's Church Parochial Church Council, Kirk Ella	2
St Andrew's Church, Ashburton	3
St Andrew's Church, Caerphilly	1
St Andrew's Church, Caversham	1
St Andrew's Church, Chedworth	1
St Andrews Church, Cullompton	2
St Andrew's Church, Dalton-le-Dale	2
St Andrew's Church, Field Dalling	1
St Andrew's Church, Hagbourne	1
St Andrew's Church, High Wycombe	1
St Andrew's Church, Kinson	2
St Andrew's Church, Kirriemuir	1
St Andrew's Church, Shottery	1
St Andrew's Church, Swanwick	1
St Andrew's Church, Trowse	1
St Andrew's Church, Ulrome	1
St Andrew's Church, Utterby	1
St Andrew's Church, Watford	1
St Andrew's Church, West Stafford	1
St Andrew's Church, Whitestaunton	1
St Andrew's Church, Wickford	2
St Andrew's with St. Luke's and All Saints Church, Grimsby	1
St Anne's Church, Ancroft	1
St Anne's Church, Bewdley	2
St Anne's Church, Earlham	1
St Anne's Church, Lydgate	1
St Anne's Episcopal Church, Dunbar	3
St Ann's Church, Dublin	2
St Augustine's Church, Kilburn	3
St Barnabas C of E Primary School, Worcester	1
St Barnabas Church, Gillingham	1
St Barnabas Church-Parish of Holdenhurst	2
St Barnabas Clapham Common	3
St Bartholomew's Church (aka Edgbaston Old Church), Birmingham	1
St Bartholomew's Church, Ashperton	2
St Bartholomew's Church, Bayton	3
St Bartholomew's Church, Brightwell Baldwin	1
St Bartholomew's Church, Brisley	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St Bartholomew's Church, Wednesbury	1
St Boniface Church, Birmingham	1
St Botolph's Church, Beauchamp Roding	1
St Botolph's Church, Grimston	1
St Brannock's Parish Rooms, Braunton	1
St Brendan's Roman Catholic Church, Motherwell	1
St Breoke and Egloshayle in Wadebridge Parochial Church Council	1
St Budeaux Church Community Hall, Plymouth	2
St Catharine's Church, Gloucester	2
St Catherine's Church, Pontypridd	1
St Catherine's Church, Tugford	2
St Catherine's Parish Church, Aldergrove	1
St Catherine's Stoke Aldermoor and New Century Park, Coventry	1
St Cattwg's Church, Llanmaes	2
St Catwg's Church, Pentyrch	2
St Cedd's Church, Dagenham	2
St Chad's Church, Bensham	3
St Chad's Church, Burton upon Trent	1
St Chad's Church, Great Habton	1
St Chad's Church, Hanmer	3
St Chad's Church, Holt	1
St Chad's Church, Longford, Derbyshire	1
St Clement's Church, Horsley, Derbyshire	2
St Cross Church, Appleton Thorn, Warrington	1
St Cross Parish Church, Manchester	2
St Curig's Church, Porthkerry	1
St Cuthbert's Church, Colburn	2
St Cuthbert's Church, Copnor	2
St Cuthbert's Church, Kentmere	2
St Cybi's Church, Llangybi	2
St Cynbryd's Church, Llanddulas	1
St David's Church, Laleston	2
St David's Church, Ashprington	1
St David's Church, Denbigh	1
St David's Church, Hubberston	1
St David's Church, Pencoed	1
St David's Church, Tudhoe	2
St Denys' Church, Colmworth	2
St Denys' Church, Northmoor	2
St Denys' Church, Pencoyd	1
St Dogfan's Church Llanrhaeadr ym Mochnant	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St Dogmael's Church, Mynachlogddu	2
St Dominic's Church, Saltash	2
St Dunstan's Parish Church, Liverpool	1
St Edith's Church, Grimoldby	3
St Edmundsbury Cathedral	1
St Elisabeth's Church, Reddish	1
St Elizabeth's Church, Aspull	2
St Ethelbert's Church, Alby	3
St Ethelbert's Church, Falkenham	2
St Euny Parish Church, Redruth	1
St Faith's Church and Community Centre, Hexton	2
St Francis' Church (Kids Zone), Littlemoor	1
St Francis' Church, Duston	2
St Fremund the Martyr Church, Dunstable	1
St Gabriel's Church, Ashton-under-Lyne	1
St George's Church, Bickley	1
St George's Church, Crosby	1
St George's Church, Gateshead	1
St George's Church, Hanworth Park	1
St George's Church, Millom	2
St George's Church, Tiverton	1
St George's Church, Upper Cam	1
St George's United Reformed Church, Carlisle	2
St Giles' Church, Cambridge	1
St Giles' Church, Normanton by Derby	3
St Giles' Church, Sheldon	1
St Giles' Church, Shermanbury, West Sussex	1
St Gregory's Church, Eastbourne	2
St Gregory's Church, Offchurch	1
St Guthlac's Church, Branston-by-Belvoir	1
St Gwynno's Church, Vaynor	1
St Helen's Church, Brant Broughton	1
St Helen's Church, Denton	1
St Helen's Church, Wheathampstead	1
St Hilda's Church, North Shields	1
St Hugh's Church, Quethiock	2
St James' Church, Ashton-under-Lyne	1
St James' Church, Castle Bytham	2
St James' Church, Clapham	1
St James' Church, East Cowes	1
St James' Church, Gloucester	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St James' Church, Jacobstowe	2
St James' Church, Keighley	2
St James' Church, Murton	1
St James' Church, Oldbury	1
St James' Church, Riding Mill	1
St James' Church, Trowbridge	1
St James' Parish Church, Bulkington	1
St James the Great Church, Castle Acre	2
St James the Great Church, High Wych	2
St James the Great Church, Paulerspury	1
St James the Great Church, Saul	1
St James The Greater Church, Barlborough	1
St James the Greater Church, Bournemouth	1
St James the Greater Church, Eastbury	2
St James the Less Church, Lancing	2
St James's Church, Norlands	2
St James's Church, Staveley	1
St John the Baptist Church, Bromsgrove	1
St John the Baptist Church, Burley	1
St John the Baptist Church, Buxton	1
St John the Baptist Church, Corby	1
St John the Baptist Church, Elmore	1
St John the Baptist Church, Hartwell	1
St John the Baptist Church, Lowick	1
St John the Baptist Church, Lynmouth	3
St John the Baptist Church, Needham Market	3
St John the Baptist Church, Newport, Devon	1
St John the Baptist Church, Orcop	1
St John the Baptist Church, Shadingfield	1
St John the Baptist Church, Skilgate	1
St John the Baptist Church, Smallhythe	1
St John the Baptist Church, Somersham	1
St John the Baptist Parish Church, Crowthorne	2
St John the Baptist, Old Sodbury	2
St John the Baptist, Wimbledon	2
St John the Divine Church, Elmswell	1
St John the Evangelist Church, Dudley Wood	1
St John the Evangelist Church, Alloa	1
St John the Evangelist Church, Carterton	1
St John the Evangelist Church, Cinderford	2
St John the Evangelist Church, Ford End	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St John the Evangelist Church, Higham	1
St John the Evangelist Church, Kingsdown	1
St John the Evangelist Church, Knotty Ash	1
St John the Evangelist Church, Knypersley	1
St John The Evangelist Church, Langrish	1
St John the Evangelist Church, Penge	3
St John the Evangelist Church, Shirley	1
St John the Evangelist Church, St Leonards-on-Sea	1
St John the Evangelist Church, Toft	1
St John the Evangelist Church, Warley	1
St John the Evangelist Church, Whitgreave	1
St John the Evangelist Church, Whittle-le-Woods	2
St John's Burlington Methodist Church, Bridlington	1
St John's Centre, Mansfield	1
St John's Church, Clonmore	1
St John's Church, Coolhurst	1
St John's Church, Higham, Kent	1
St John's Church, West Ashton	1
St John's PTA, Basingstoke	2
St John's United Reformed Church, Stourbridge	1
St Joseph the Worker RC Primary School, Irlam	1
St Joseph's Catholic Church, Burslem	3
St Joseph's Catholic Primary School, Aldershot	2
St Laurence Church, Brafield on the Green	1
St Laurence Church, Diddington	2
St Laurence's Church, Middleton St George	2
St Laurence's Church, Stanwick	1
St Leonard and St Catherine Church, Drayton St Leonard	2
St Leonard's Church, Aston Le Walls	1
St Leonard's Church, Loddington	2
St Leonard's Church, Misterton	1
St Leonard's Church, Semley	2
St Leonard's Church, Southoe	1
St Llawddog's Church, Cilgerran	2
St Luke's C of E Primary School, Cambridge	1
St Luke's Church, Abercarn	2
St Luke's Church, Bricket Wood	1
St Luke's Church, Gaddesby	1
St Luke's Church, Hedge End	1
St Luke's Church, Linch with Iping Marsh	1
St Luke's Church, Queen's Park, Brighton	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St Luke's Church, Stoke Hammond	1
St Luke's Church, Tunbridge Wells	1
St Luke's Hospice (Basildon & District), Essex	1
St Luke's Hospice Plymouth	1
St Mabli's Church, Llanvapley	1
St Margaret of Antioch Church, Braceborough	1
St Margaret of Antioch Church, Thrandeston	2
St Margaret's Church, Chippenham	2
St Margaret's Church, Margaret Marsh	1
St Margaret's Church, Topcroft	2
St Margaret's Parish Church, Horsforth	2
St Mark in the Cherry Orchard Church, Worcester	1
St Mark the Evangelist Church, Hadlow Down	1
St Mark's Church, Ballysillan	1
St Mark's Church, Bourne End	1
St Mark's Church, Bridlington	2
St Mark's Church, Clerkenwell	1
St Mark's Church, Newnham	1
St Martin's Church, Droylsden	1
St Martin's Community Resource Centre, Edinburgh	2
St Mary & All Saints' Church, Dunsfold	1
St Mary and All Saints' Church, Checkley	2
St Mary and St Abaskhyroun Coptic Orthodox Church, Llandudno	1
St Mary and St Bartholomew's Church, Cranborne	1
St Mary and St Stephen's Church, Wolsingham	2
St Mary and St Thomas a Becket Church, Much Birch	1
St Mary le Wigford Church, Lincoln	2
St Mary Magdalene Church, Bolney	1
St Mary Magdalene Church, Waltham on the Wolds	2
St Mary of the Angels RC Church, Batley	2
St Mary the Virgin Church, Ashford	1
St Mary the Virgin Church, Brading	1
St Mary the Virgin Church, Braughing	1
St Mary the Virgin Church, Butetown, Cardiff	1
St Mary the Virgin Church, Datchet	2
St Mary the Virgin Church, Ecclestone	1
St Mary the Virgin Church, Fairford	1
St Mary the Virgin Church, Great Bardfield	2
St Mary the Virgin Church, Horton Kirby	1
St Mary the Virgin Church, Letchworth Garden City	1
St Mary the Virgin Church, Little Addington	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St Mary the Virgin Church, North Petherton	1
St Mary the Virgin Church, Powerstock	1
St Mary the Virgin Church, Puddletown	2
St Mary the Virgin Church, South Benfleet	3
St Mary the Virgin Church, Thame	1
St Mary the Virgin Parish Church, Fen Ditton	2
St Mary the Virgin Parish Church, Swanley	1
St Mary the Virgin with St John's Church, Great Brington	1
St Mary Virgin Church, Northill	1
St Mary's Magdalene Church, Ashton upon Mersey	3
St Mary-at-Latton Church, Harlow	1
St Mary's Church, Pulborough	1
St Mary's Bottesford PCC	1
St Mary's Church (Parish of Camus-juxta-Bann), Coleraine	2
St Mary's Church Ecumenical Council - Trustees of the Chapel	2
St Mary's Church of Ireland, Magheraculmoney	2
St Mary's Church, Apuldram	3
St Mary's Church, Badby	2
St Mary's Church, Barby	1
St Mary's Church, Bromley	1
St Mary's Church, Brymbo	1
St Mary's Church, Chilton Foliat	2
St Mary's Church, Cofton	1
St Mary's Church, East Molesey	2
St Mary's Church, Great Abington	2
St Mary's Church, Great Witcombe	1
St Mary's Church, Hardwick	1
St Mary's Church, Haynes	1
St Mary's Church, Kemp Town, Brighton	2
St Mary's Church, Lydiard Tregoze	1
St Mary's Church, Maiden Newton	1
St Mary's Church, New Radnor	1
St Mary's Church, Newchurch-in-Pendle	2
St Mary's Church, Newport	2
St Mary's Church, Nolton	1
St Mary's Church, Oare	1
St Mary's Church, Pillerton Hersey	1
St Mary's Church, Pirton	1
St Mary's Church, Portsea	2
St Mary's Church, Shroton	1
St Mary's Church, Stapleford Tawney	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St Mary's Church, Stoke Abbott	1
St Mary's Church, Stoke sub Hamdon	2
St Mary's Church, Swansea	2
St Mary's Church, Thixendale	1
St Mary's Church, Thoresway	1
St Mary's Church, Thornbury	2
St Mary's Church, Wallington	1
St Mary's Church, Wootton	2
St Mary's Ecumenical Church, Weaverham	2
St Mary's Episcopal Church, Kirriemuir	3
St Mary's Parish Church, Aldridge	1
St Marys Parish Church, Hinckley	2
St Mary's Parish Church, Slough	1
St Mary's Parish Church, Winterborne Stickland	1
St Mary's Priory Trustees part of St Mary's PCC	1
St Matthew's Church of the Nazarene, Paisley	1
St Matthew's Church, Meerbrook	1
St Matthew's Church, Winchester	2
St Michael & All Angels Church, Meeth	2
St Michael and All Angels' Church, Alnham	3
St Michael and All Angels' Church, Ashton under Lyne	1
St Michael and All Angels' Church, Cosby	1
St Michael and All Angels' Church, Dalton	2
St Michael and All Angels' Church, Haworth	2
St Michael and All Angels' Church, Knill	2
St Michael and All Angels' Church, Ledbury	1
St Michael and All Angels' Church, Upper Sapey	3
St Michael and All Angels', Leafield	1
St Michael the Archangel Church, Alcombe	1
St Michael the Archangel Church, Markington	1
St Michael-in-Lewes Church, Lewes	1
St Michael's Church, Barford St Michael	1
St Michael's Church, Brantham	2
St Michael's Church, Breaston	1
St Michael's Church, Chiswick	1
St Michael's Church, Golden Grove	1
St Michael's Church, Linby	1
St Michael's Church, Smarden	2
St Michael's Church, Stoke St Michael	2
St Michael's Community Hall, Stone	1
St Michael's on Wyre Church, Lancashire	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St Michael's Parish Community Hall, Northern Moor	1
St Michael's, Camden Town (a church in the Parish of Old St Pancras)	2
St Nicholas' Church, Bawtry	2
St Nicholas' Church, Berden	1
St Nicholas' Church, Blakeney	2
St Nicholas' Church, Castle Hedingham	1
St Nicholas' Church, Cholderton	1
St Nicholas' Church, Fyfield	2
St Nicholas' Church, Great Wilbraham	2
St Nicholas' Church, Hintlesham	2
St Nicholas' Church, Hinxworth	1
St Nicholas' Church, Loxley	1
St Nicholas' Church, Ringwould	1
St Nicholas' Church, West Thorney	2
St Nicholas' Church, Wigginton	1
St Nicholas' Methodist Church, Topsham	1
St Nicholas' Parish Church, Guisborough	1
St Nicolas' Church, Cranleigh	1
St Nicolas' Church, Taplow	2
St Oswald's Church, Knuzden	2
St Oswald's Church, Althorpe with Keadby	1
St Oswald's Church, Bollington	1
St Oswin's Parish Church, Wylam	3
St Pancras Church, Pancrasweek	1
St Paul's Church, Blackheath, West Midlands	1
St Paul's Church, Clapham	2
St Paul's Church, Evenwood	1
St Paul's Church, Gatten	2
St Paul's Church, Hamstead	2
St Paul's Church, Healey	1
St Paul's Church, Heol-Y-Cyw	1
St Paul's Church, Manningham	2
St Paul's Church, North Marylebone	1
St Paul's Church, Oldham	1
St Paul's Church, Parish of Bottesford with Ashby	1
St Paul's Church, Ramsey	2
St Paul's Church, Royton, Lancashire	2
St Paul's Church, Ryhope	1
St Paul's Church, Wooburn	3
St Peter ad Vincula Church, Combe Martin	2
St Peter ad Vincula Church, South Newington	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St Peter and St Paul Church, Rock	1
St Peter and St Paul's Knapton	3
St Peter and St Pauls Church, Alconbury	3
St Peter and St Paul's Church, Burton Pidsea	1
St Peter and St Paul's Church, Fressingfield	2
St Peter and St Paul's Church, Healing	1
St Peter and St Paul's Church, Saltwood	1
St Peter and St Paul's Church, Shelford	2
St Peter and St Paul's Parish Church, Swalcliffe	1
St Peter and St Thomas Becket Church, Stambourne	2
St Peter and the Holy Rood Episcopal Church, Thurso	2
St Peter-ad-Vincula Church, Roydon	2
St Peter's Church, Dumbleton	2
St Peter's Church, Aberdyfi	2
St Peter's Church, Awwsworth	1
St Peter's Church, Baylham	2
St Peter's Church, Bishopton	2
St Peter's Church, Bittadon	1
St Peter's Church, Bocking	1
St Peter's Church, Buckland in the Moor	1
St Peter's Church, Budleigh Salterton	1
St Peter's Church, Clippesby	2
St Peter's Church, Crabbs Cross	2
St Peter's Church, Dormington	1
St Peter's Church, Drayton	1
St Peter's Church, Drayton Bassett	1
St Peter's Church, Easton	1
St Peter's Church, Evercreech	1
St Peter's Church, Framilode	1
St Peter's Church, Frampton Cotterell	1
St Peter's Church, Frimley	1
St Peter's Church, Gildersome	2
St Peter's Church, Great Limber	1
St Peter's Church, Greatworth	1
St Peter's Church, Gunby	1
St Peter's Church, Hargrave	2
St Peter's Church, Hednesford	1
St Peter's Church, Horningsea	2
St Peter's Church, Kiltoom	1
St Peter's Church, Leire	1
St Peter's Church, Newton Bromswold	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St Peter's Church, Peterston-super-Ely	1
St Peter's Church, Pilning	1
St Peter's Church, Pipe cum Lyde	2
St Peter's Church, Shipley	1
St Peter's Church, South Croydon	2
St Peter's Church, Taunton	1
St Peter's Church, Tawstock	1
St Peter's Church, Tilton on the Hill	3
St Peter's Church, Titchfield	1
St Peter's Church, Wolvercote, Oxford	2
St Peter's Hall (1991) Charity, London	1
St Petroc's Church, Hollacombe	2
St Philip and St James Church, Witton le Wear	1
St Philip the Evangelist Church, Tunbridge Wells	1
St Philip's Church, Dublin	2
St Piran's Cross Multi-Academy Trust	0
St Pol de Leon Church, Paul	2
St Polycarps Church, Sheffield	1
St Sampson's Parish Church, Cricklade	1
St Saviour's Church, Fairweather Green	2
St Saviour's Church, Pimlico	2
St Senara's Church, Zennor	1
St Stephen-in-Brannel Parish Church	2
St Stephen's Church, Burnley	1
St Stephen's Church, Tivoli, Cheltenham	2
St Stephen's Westminster Bells Fund	2
St Swithin's Church, Wickham	2
St Swithun's Church, Hither Green	1
St Swithun's Church, Sandford	1
St Symphorian's Church, Durrington	1
St Thomas a Becket Church, Farlam	1
St Thomas a Becket Church, Huntington	1
St Thomas Becket Church, Bridford	1
St Thomas Becket Church, Chapel-en-le-Frith	1
St Thomas' Church, Brandon and Mildenhall RC Parish, Suffolk	1
St Thomas' Church, Colnbrook	1
St Thomas' Church, Eighton Bank	1
St Thomas' Church, Lees (Leesfield PCC)	2
St Thomas' Church, Melling	1
St Thomas' Church, Werneth	1
St Thomas the Apostle, Claremount	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
St Thomas the Martyr Church, Upholland	1
St Thomas with St Stephen Church, London	1
St Thomas's Church, Stourbridge	3
St Twrog Church, Llanddarog	2
St Tysilio's Church, Bryneglwys	1
St Tysilio's Church, Llantysilio	1
St Uny's Church, Lelant	2
St Vincent's Church, Caythorpe, Lincolnshire	3
St Vincent's Family Project, Westminster	1
St Werburgh Church, Wembury	1
St. Andrew & St. Peter Church, Blofield	2
St. Andrew's C of E Primary School, Enfield	2
St. Bartholomew, Corton, Suffolk	1
St. Gabriel's Church Popley with Limespark and Rooksdown	2
St. Lachtains Church of Ireland, Freshford	1
St. Mary the Virgin Church, Goosnargh	3
St. Mary's Church, Great Brington	1
St. Mary's Church, Hollingworth	0
St. Mary's Church, Huish Episcopi	2
St. Mary's, Spring Grove	2
St. Piran & St. Michaels, Perranuthnoe	1
St. Saviour's Church, Westcliff-on-Sea	1
St.James-the-Less Church, Burchetts Green	0
St.Simon & St.Jude Church. Milton on Stour.	3
Stoke Damerel Church (St Andrew with St Luke), Devon	2
Stoke St Gregory Baptist Chapel, Somerset	1
Stover School, Chudleigh	1
Stowe-1X-Churches St. James', Northamptonshire	1
Strean Presbyterian Church, Newtownards	1
Studley Methodist Church, Warwickshire	3
Sudbury Neighbourhood Centre, Middlesex	1
Swalecliffe Free Church (Baptist), Kent	1
Swanley District Food Bank, Kent	1
Tabernacle Baptist Church, Penarth	2
Tabernacle United Reformed Church, Mumbles	1
Tameside African Refugee Association (TARA)	1
Taunton - St. Mary Magdalene Church - Somerset	3
The Bath and Wells Diocesan Board of Finance	2
The Blessed Virgin Mary Church, Nettlecombe	1
The Cathedral Church of St Nicholas, Newcastle upon Tyne	2
The Children's Trust, Tadworth	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
The Christian Fellowship Norwich, Norfolk	1
The Church in Tickton L.E.P., East Yorkshire	2
The Church of St George the Martyr, Wash Common	3
The Church of the Ascension, Bath	2
The Church of the Holy Ascension, Mappleborough Green	1
The City Of Edinburgh Methodist Church	3
The Cornerstone Church, St Catherine and St Paul, Leyton	1
The Diocese of West Yorkshire and the Dales	3
The Drive Methodist Church, Sevenoaks	2
The Exaireo Trust, Loughborough	3
The Exodus Project	1
The Fountain (NI) Ltd, Enniskillen	1
The Friends of St James Church, Iddesleigh	2
The Greek Orthodox Church of St Mary Magdalene, St Leonards on Sea	1
The Heritage Alliance, London	1
The Nehemiah Project, London	1
The Orchard Trust, Central Lydbrook	2
The Parish Church of St Giles, Kilmington	1
The Parish Church of St Mary and St Michael, Great Malvern	2
The Parish of Cirencester, Gloucestershire	1
The Parochial Church Council of Holy Cross Church, Pattishall	1
The Rock Methodist Church, Telford	1
The Salvation Army (St Ives), Cornwall	3
TLC (a project of Christian Community Trust for Norfolk and Norwich)	2
Together in Matson, Gloucester	1
Troon Methodist Church, Cornwall	1
Trudoxhill Congregational Church	1
Twyford United Reformed Church, Buckinghamshire	3
Uffculme Parochial Church Council, Devon	3
United Churches Healing Ministry, Milnsbridge	1
Unity Church, Orpington	1
University and College Christian Fellowship	1
Unseen, Bristol	1
Upton St Leonards Cricket Club in association with Active Gloucestershire	1
Upton Vale Baptist Church, Torquay	1
Urban Junction - Blackrock Methodist Church, Dublin	1
Waddington Methodist Church, Lancashire	1
War Memorials Trust, London	1
Waterhead Parish Church ("Holy Trinity")	1
Wath Methodist Chapel, North Yorkshire	2
Watts Gallery Trust, Compton	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2015 £000
Small grants, below £3,000:	
Wellington Baptist Church, Somerset	1
Wellspring Church, Wirksworth	2
Welwyn Garden City - Panshanger Church - Hertfordshire	1
West End United Church, Wolverton	2
West Lindsey Silver Jubilee Association, Lincolnshire	2
West Smethwick Methodist Church, West Midlands	1
West View Baptist Church, Hartlepool	2
Westwood Parish Room Transformation, Bradford on Avon	2
Whitefield Methodist Church, Lancashire	2
Wicken Methodist Church, Cambridgeshire	3
Willesley Methodist Church, Worcestershire	2
William Williams Memorial Church, Llandovery	1
Willow Wood Hospice, Ashton under Lyne	1
Wolvey Baptist Church, Leicestershire	1
Women on the Frontline Ministries, London	1
Woodhill Baptist Church, Colwyn Bay	1
Woolfardisworthy East PCC for the Church of St. Mary the Virgin, Devon	1
Work Place Chaplaincy Scotland	1
WOTS Project	1
Wycliffe Hall, Oxford	2
Wykeham PCC, North Yorkshire	2
Yeast Scrapstore Ltd, Glastonbury	1
YMCA White Rose, Sheffield	1
Youth Concern, Aylesbury	1
Zion Baptist Church, Blaenavon	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

During the year, the charity made the following special projects grants:

	2015 £000
Special Projects:	
Anglican Consultative Council, London	30
Blackburn Cathedral	25
Canterbury Cathedral Trust	90
Centre for Theology & Community	25
City YMCA London	20
Gloucester Cathedral	50
Holy Trinity Church, Rathmines	41
Housing Justice, London	60
Mission to Seafarers	10
Peterborough Cathedral Development Trust	20
Ripon Cathedral Development Campaign	60
Rochester Cathedral Trust	30
Sported Foundation, London	40
St Luke's Healthcare for the Clergy, London	60
The Cathedral and Abbey Church of St Alban, Hertfordshire	30
The Cathedral of All Saints, Wakefield	32
The Rock Cheltenham	30
West Yorkshire Community Chaplaincy Project, Leeds	25
Winchester Cathedral	40

During the year, the charity made the following flagship projects grants:

	2015 £000
Flagship Projects:	
Archbishops' Council, London	328
The National Society for Promoting Religious Education	75