

SALISBURY DIOCESAN BOARD OF FINANCE



Directors' and Trustees' Report and Financial Statements for the year ended 31 December 2008

Company No. 17442

Registered Charity No. 240833

Registered and Principal Office:

**Church House
Crane Street
Salisbury
SP1 2QB**

SALISBURY DIOCESAN BOARD OF FINANCE

Contents	<u>Page</u>
Company Information	1
Directors and Trustees	2
Directors' and Trustees' Report	3 - 14
Auditors' Report	15
Income and Expenditure Account	16
Statement of Total Recognised Gains and Losses and Reconciliation of Movement on all Funds	16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20 – 35
 <i>Management Information only – not forming part of the Statutory Accounts</i>	
Summary of Net Expenditure compared with Budget and reconciliation to Statutory Accounts	36

Key to abbreviations

CBF	Central Board of Finance
CHARM	Churches Housing Assistance for the Retired Ministry
CMD	Continuing Ministerial Development
DAC	Diocesan Advisory Committee
DBE	Diocesan Board of Education
DBF	Diocesan Board of Finance
DBS	Defined Benefit Scheme
DCS	Defined Contribution Scheme
DFS	Diocesan Financial Statements
DPA	Diocesan Pastoral Account
DSF	Diocesan Stipends Fund
ECS	Episcopal Church of the Sudan
FRS	Financial Reporting Standard
IME	Initial Ministerial Education
LCVAP	Locally Co-ordinated Voluntary Aided Programme
LDM	Learning for Discipleship and Ministry
LLM	Licensed Lay Minister
LPA	Lay Pastoral Assistant
OLM	Ordained Local Minister
PCC	Parochial Church Council
PDF	Pastoral and Development Fund
SDBEL	Salisbury Diocesan Board of Education Ltd
SDBF	Salisbury Diocesan Board of Finance
SOFA	Statement of Financial Activities
SORP	Statement of Recommended Practice
SSAP	Statement of Standard Accounting Practice
STETS	Southern Theological Education and Training Scheme

SALISBURY DIOCESAN BOARD OF FINANCE

COMPANY INFORMATION

Registered Office: Church House
Crane Street
Salisbury
SP1 2QB

Website: www.salisbury.anglican.org

Company Registration Number: 17442 (in England and Wales)

Charity Registration Number: 240833

Auditors: Mazars LLP
Regency House
3 Grosvenor Square
Southampton
SO15 2BE

Solicitors: Wilsons LLP
Steynings House
Summerlock Approach
Salisbury
SP2 7RJ

Diocesan Registrar: Mr A Johnson
Batt Broadbent
Minster Chambers
42/44 Castle Street
Salisbury
SP1 3TX

Bankers: Lloyds TSB plc
38 Blue Boar Row
Salisbury SP1 1DB

Insurers: Ecclesiastical Insurance Office plc
Beaufort House
Brunswick Road
Gloucester
GL1 1JZ

Investment Managers: CCLA Investment Management Ltd
80 Cheapside
London
EC2V 6DZ

M&G Investment Management Ltd
M&G House
Victoria Road
Chelmsford
CM1 1FB

Property & Land Agents: Messrs Smiths Gore
3 Woodstock Court
Blenheim Road
Marlborough
SN8 4AN

SALISBURY DIOCESAN BOARD OF FINANCE

DIRECTORS AND TRUSTEES DURING 2008

The members of Bishop's Council are the Executive Committee of the Board of Finance and its Directors and Trustees. The members of Salisbury Diocesan Synod are the members of the Board of Finance.

The following are the Directors and Trustees who served during the year and to the date of this report:

The Rt Rev D S Stancliffe	Ex officio, President of Synod, Bishop of Salisbury
Mr G D Williams	Ex officio, Chairman
Mr M P Armstrong	Elected lay member, Vice-Chairman
The Rt Rev T M Thornton (to 10.10.08)	Ex officio, Bishop of Sherborne
The Rt Rev S D Conway	Ex officio, Bishop of Ramsbury
The Ven A P Jeans	Ex officio, Archdeacon of Sarum
The Ven A J Magowan	Ex officio, Archdeacon of Dorset
The Very Rev J Osborne	Ex officio, Dean of Salisbury
The Rev Canon P Richardson	Ex officio, Chairman of the House of Clergy
The Ven P S Taylor	Ex officio, Archdeacon of Sherborne
The Ven J M Wraw	Ex officio, Archdeacon of Wilts
The Rev M A Allchin	Elected clerical member
Mrs A E Buchan	Elected lay member
Mr T B Buckby	Elected lay member
Mrs C Corteen	Elected lay member
Mr A R Ely	Elected lay member
Mr P M G Hime	Elected lay member
The Rev Canon J E Holbrook	Elected clerical member
Mrs Y S Kirton	Elected lay member
The Rev N A Leigh-Hunt	Elected clerical member
The Rev A C Macrow-Wood	Elected clerical member
Mr T R Price	Elected lay member
Mr R C Southwell QC	Elected lay member, Chairman of the House of Laity
The Rev R A D'V Thorn (from 5.6.08)	Co-opted member
Mr J G Walmsley	Elected lay member
Mr W H G Wilks	Elected lay member
The Rev Canon I Woodward	Co-opted member

Principal Officers of the Board

Mrs L J D Herklots	Secretary and Treasurer
Mr R D Trahair	Deputy Secretary (Property)
Mr C B Dragonetti	Deputy Secretary (Finance)

THE DIOCESE OF SALISBURY

The Diocese of Salisbury is an administrative and pastoral area of the Church of England. It covers most of Dorset, three-quarters of Wiltshire, the unitary authority of Poole and small parts of Hampshire and Devon. The Diocese is mainly rural in character with many small villages, but also a few areas of urban development, including the Poole conurbation, one of the fastest growing areas of the country. There are over 570 places of worship of which nearly 90% are listed.

Salisbury Diocesan Board of Finance (The Board or SDBF) is responsible for the majority of the activities and financial transactions carried out at diocesan level.

Information on the structure of the Church of England and the principal diocesan organisations can be found on pages 9 and 10 of this report.

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

The diocesan purpose is to develop mature Christian discipleship in our communities by:

- Leaving our places of safety
- Discerning what God is doing
- Making Church where God chooses

The Diocese, through its structure of departments and offices work to serve this purpose and a description of what has been achieved during 2008 is given below.

LEARNING FOR DISCIPLESHIP AND MINISTRY

At the forefront of the diocesan purpose are the licensed (authorised) ministers of the diocese who, in a variety of roles, lead communities across the diocese in proclaiming the Gospel of Jesus Christ in words and action. The individuals in these ministerial roles need training and support, and it is the Learning for Discipleship and Ministry (LDM) Council and the LDM Team that has responsibility for delivering it. The Team is also responsible for identifying and supporting those who feel God's call to exercise ministry.

2008 has been a busy year for the Learning for Discipleship and Ministry Team, with rapid development in some areas of work and a number of new initiatives.

Vocations: The Vocations post was vacant for most of the year, but a fulltime Co-ordinator for Vocations and Spirituality was appointed from December.

Ordinand selection: The DDO team worked with a stream of potential ordinands, supported by volunteer advisers and visitors and a series of seminars and workshops were held to explore aspects of the discernment criteria. A total of 22 candidates were prepared for Bishops' Advisory Panels of whom 14 were recommended for training. At the year end there were 53 candidates in training with the majority of these training through STETS.

Learning for Discipleship: 2008 was the first full year of delivery for the Learning for Discipleship programme, which offers lay learning opportunities to all interested learners ranging from a single 10 week course to Foundation Degree level, as well as providing training for our LLMs and LPAs. The first intake was some 130 students in September 2007 and by the end of the first year had met the target of rolling out the first five core courses. Initial feedback on the quality of work submitted by students has been most encouraging.

During the year, after a period of consultation, the Diocesan OLM and Integrated Training Scheme was formally ended. From September 2008 all our candidates for locally deployable ordained

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

ministry are being trained via a local ministry pathway through STETS while LLM candidates are being trained through the Learning for Discipleship programme. This move is part of a wider vision to end some of the divisions between different expressions of ministry, to affirm the distinctiveness of lay ministry and to emphasise the need for collaborative and contextual formation for all our ordained ministers, not just those whose ministry will be locally exercised.

IME 4 – 7: The provision for these early years of ministry was extensively revised in 2007/8 to place a greater emphasis on the personal and interpersonal aspects of formation as well as on the academic and professional aspects. This has created a rather different culture and much of the learning now takes place in confidential tutor groups.

Continuing Ministerial Development: The Continuing Ministerial Development programme was extended again during 2008 to meet increasing demand from participants and increasing expectations from the national church while honouring our Diocesan commitment to provide appropriate access to CMD for all forms of authorised ministry. A survey of ordained and lay ministers conducted at the end of 2008 showed a high level of satisfaction. The Ministry Review scheme was finalized and is to be implemented in the first half of 2009.

DIOCESAN PROJECTS AND MISSION INITIATIVES

At the end of 2007 the Board approved a number of new projects and initiatives to be funded from available reserves identified at the end of 2006.

Pioneer Posts: A diocesan-wide call for deanery applications for up to 4 new pioneer posts was made in February 2008. These posts, funded by the Diocese, are intended to work alongside the ongoing development of parochial appointments and to engage with communities and networks which the Diocese has little current contact. The Archdeaconry Pastoral Committees and the managers of the Aldhelm Mission Fund scrutinised applications and visited the project teams. At the Diocesan Synod in June 2008, three posts were approved:

1. A minister to work within the Poole Regeneration Area
2. A Children and Families Worker to foster and develop links between church, schools and community groups in the Devizes Area
3. A minister for the Weymouth Town Centre Mission Project

By the end of 2008 these posts had been filled and work had begun.

Rediscovering our Parish Churches: A pilot project with this title was approved by Synod in February, its aim being to help deaneries, teams and parishes explore practical options for their church buildings both in terms of how to use their buildings more effectively for mission and ministry and in terms of facing the burdens of care. Sherborne and Heytesbury deaneries were selected as pilot deaneries. By the end of the year all 76 churches within the two deaneries had been visited by architectural consultants funded by English Heritage. Their reports on the historical and architectural significance of each building and an initial community audit had been completed. Further work will be done in 2009 in assessing their community and spiritual value.

Ecumenical Development in Wiltshire: The Synod also approved funding for an Ecumenical Development Officer in Wiltshire and an appointment was made in December to begin work in 2009. Half of the time spent by this officer will be to work on the Re-discovering our Parish Churches project and half aimed at fostering partnerships between local churches and encouraging those partnerships to engage with their local communities.

Sudan Partners pre-Lambeth Conference: In July the Diocese hosted 27 Sudanese bishops and their wives for a fortnight before the Lambeth Conference. Their programme included a conference in Salisbury with many of ECS's other partners present and a pilgrimage from Old Sarum to the cathedral to celebrate the 35th anniversary of the Link as well as the Cathedral's 750th anniversary.

SALISBURY DIOCESAN BOARD OF FINANCE

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

There was time for the bishops to spend in the parishes and deaneries where new links were established and old ones renewed.

Wellbeing: The wellbeing of our ministers is of vital importance to their effective ministry throughout the Diocese. The arrangements for formal counselling to be provided when necessary have continued but one of the roles of 'Wellbeing' is to encourage good practice among ministers to try and prevent personal crisis points developing.

'Work-based Learning Groups' have continued across the Diocese and provided opportunities for reflecting on personal issues arising out of ministry and for learning through small groups led by a trained facilitator; four new Work-based Learning Groups were established in 2008.

THE AREA OFFICES AND DIOCESAN RESOURCES

Diocesan support and resources for the parishes to grow the church and advance The Kingdom are provided through the two episcopal Area Teams (based in Devizes and Sturminster Marshall) as well as from the Diocesan Office. A key feature of these activities is the identification and sharing of expertise and good practice.

The Ramsbury Area Team: The Team's work was focused around a number of working groups.

- Learning and Training Group: provided learning resources in the Area, to enable lay people to have confidence in sharing faith and leading worship.
- Schools Group: provided support for those in posts with a school responsibility and acted as an information exchange for good practice; offered a support network to those from schools seeking to work more closely with local parishes or vice versa.
- Mission and Evangelism Group: undertook a 'mission on the move' - in the benefices of Tidworth, Durrington and Avon Valley which renewed vision and was much appreciated.
- Public Life and Social Responsibility Group: fostered links and worked with the diocesan chaplain for gypsies and travellers, the County Churches Rural Life Advisor and other agencies.

The Sherborne Area Team: The principal activities in the year were the drafting of an area profile for new Bishop of Sherborne and job specifications for the new pioneer posts in Weymouth and Poole. The Team also planned for "Fully Alive", the diocesan wide Lent course for 2009 and co-ordinated the pre-Lambeth conference visit of the Sudanese bishops.

The Area Resource Group ran a number of events: "Inspire to go!" a mission workshop event; a major projects planning seminar; a day on 'Transforming Congregations' and day seminars on marriage, coping with ancient buildings and the security of churches. The Group also organized a 50 mile sponsored walk fund raising for Crossways Church and a week-long pilgrimage to Poole and ran a pilot for "Back to Church Sunday".

Stewardship and Resources

The Group covers stewardship, training and mission activities in support of PCCs and parishes, diocesan communications, IT services and office management for the diocesan offices.

Thanksgiving Sunday resource packs were distributed to all PCCs in June supported by resources on the diocesan website. Feedback on the packs was positive. Over 20 parishes participated in a Back to Church Sunday pilot scheme. Preparation involved briefings for clergy, 'welcome' training for parish representatives, the coordination and distribution of resource packs and an evaluation. Feedback was positive with a strong recommendation for diocesan participation in 2009.

Eight training sessions for PCC officers with supporting resources on the diocesan website was attended by 65 secretaries and treasurers. Changes in the requirements of the Charity Commission with more emphasis on the role of PCC members as trustees, and new annual report requirements have increased the importance of this training.

DIOCESAN LINKS OVERSEAS

The diocese's principal overseas link is with the Episcopal Church of the Sudan (ECS), though there are others with the Church in Latvia and in Evreux (France). A review of our overseas links is planned for 2009.

Sudan: The link with Sudan has been established for over 35 years and its main focus is on support for education generally and more specific theological education for Sudanese Christians.

The Sudan partners' conference, already referred to, gave birth to an initiative to build a new secondary school in Kadugli and the Board established a new restricted Fund the "Sudan Grace Secondary School Fund" to receive donations for this purpose.

During 2008 £166,000 was granted for support for ECS and Sudanese Christians, about the same amount as the previous year.

Evreux: There was a visit to Evreux in January to coincide with the Week of Prayer for Christian Unity, and a reciprocal visit is planned for 2009. A study of French deployment strategies and patterns for Lay Ministry is also planned as well as a Youth visit to Taize in 2009

THE DIOCESAN BOARD OF EDUCATION

The DBE continued its work of developing our family of distinctively Christian school communities. This progressed through school visits to monitor and support distinctiveness, support during headship appointments, headteacher commissioning services, conferences for new heads and for those already in post as heads and governor training. All these activities are to support and encourage the Christian formation of our young people.

Two academy programmes in the diocese made good progress during the year, and will represent a significant extension of diocesan support of secondary education. Plans for the first academy are at the stage of being presented to the Government for approval though the second academy project is not so far advanced.

Work with all the maintained sector schools in the Diocese continued to develop the children's understanding of Christian traditions and teaching. Particular achievements were the production of new classroom and worship resources, courses for teachers such as "Open the Book" and "Lighting the Candle" all of which were well attended.

A range of courses were offered to support and train our current and future Christian leaders with good take up in most areas. All the courses were evaluated as good or outstanding. A successful chaplaincy course was run and a follow up action plan created. A working group was established to develop the process of licensing for those in paid youth work positions in the Diocese.

School governor training was offered to PCCs and use made of deanery networks to find foundation governors. As a result the number of governor vacancies within our 2000 foundation governor positions was significantly reduced. Two thanksgiving services for governors were held.

There was successful joint work with LDMT in running a core skills course to improve co-ordination of training for clergy and LPAs and work continues in the preparation of a modular five day course

The new monitoring system for building projects demonstrated largely successful design and delivery of new school buildings. During 2008 LCVAP project funding increased to over £5m.

SALISBURY DIOCESAN BOARD OF FINANCE

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

A significant event in the year was the successful sale of Audley House towards the end of the year which enabled SDBEL to repay its loan to the Board.

The DBE's own web site www.saled.org continues to provide a useful access to resources, publications, information and advice for Headteachers, Governors and Worship Coordinators.

OTHER DIOCESAN ACTIVITIES

Child Protection and Vulnerable Adults: There was a significant increase in diocesan training events partly as a response to the House of Bishops' policy "Promoting a safe Church". The House of Bishops also asked all dioceses to review their files and this was undertaken during the year by an independent social worker, with nothing untoward being found. A further positive report on our work in child protection was received from the Criminal Records Bureau.

Communications: The appointment of a new Communications Co-ordinator meant that dependence on external specialists was reduced. Website development continued with improved news content, further simplification of the structure and a new site map. The weekly e-Bulletin to all clergy and parish contacts continued to develop as an effective means of communicating information within the Diocese. There was regular local and national coverage of events and stories, and increased contact with Deanery Information Officers as part of a drive to publicise deanery news.

The diocesan newspaper, Sarum Link, continued to be the main source of news on diocesan life for many in our parishes and attracted a wide range of contributors. We are grateful to all the volunteers who faithfully distribute the paper each month.

The Diocesan Advisory Committee for the care of Churches (The DAC): The DAC provides advice over proposed repairs and alterations to church buildings and proposals for their re-ordering and new facilities. Applications for re-ordering schemes and facilities such as lavatories and kitchens areas accounted for 25% of business, with repairs to fabric and conservation work amounting to 28%. Other works included heating and lighting (11%) and sound and loop systems (8%).

There was a steady flow of applications for organ restorations and a significant number of major restorations to bells were proposed. A new user-friendly guide to Graves and Memorials in Churchyards was produced and also a guide for parishes planning to carry out work on their churches. The DAC committee worked with the Diocesan Environment Group to produce a range of leaflets on environmental issues.

FINANCE AND BUILDINGS

The most significant financial activity continued to be the provision of stipends and housing for the clergy in the Diocese.

Stipends: There were some 228 paid clergy posts in the Diocese in 2008, though at any one time a number of these are vacant. The clergy are not employees, but are paid stipends to enable them to undertake their ministry. The Board continued to provide stipends to clergy in the diocese, together with meeting their employer's national insurance and pension contributions. In 2008 the Board spent over £6.3 m on these costs, making it by far the largest item of expenditure.

Housing and Property: Although not all owned by the Board, the Board has responsibility for maintaining and insuring all the houses in which the clergy live (usually called the Rectory or Vicarage). This involves dealing with planned maintenance works, numerous day to day minor repairs as well as more major renovation works during vacancies.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

2008 was a difficult year financially, both in terms of maintenance costs and market conditions for buying and selling property. Property acquisitions are subject to limited choice and extensive timescale, while sale values have continued to fall. For this reason a number of surplus properties have been retained and let, in the hope that conditions will stabilise and then improve in due course.

The Board started the year with a historically high number of houses and so it is not surprising that sales outnumbered purchases in 2008. Nine houses which were no longer required were sold and four purchased, these latter all being for newly appointed curates to new training posts. For the first time, posts with a limited and defined timescale, such as assistant curates, have been housed in rented property.

The Building Projects Team: The Team, which was established at the end of last year, works mainly with certain voluntary aided church schools in the Diocese, to assist them with building projects from £2,000 to £2 million, covering minor works to green field developments and from concept to completion.

Of the larger projects, Woodford Valley Primary School is part way through a project to build a hall, one classroom, new entrance and offices plus alterations to the existing building.

At Western Downland Primary School we successfully tendered for a project to provide an additional classroom, a library area to link to the existing school and the creation of new offices plus alterations and repairs to the existing building.

A tender was also accepted for an interesting project at Salway Ash Primary School to build a new hall, offices and entrance. The governors were very proactive in encouraging the use of locally sourced materials and renewable energy sources to create a building with minimal environmental impact.

Grant Making Activities: The Board's policy of providing "loss of amenity" grants to parishes losing former parsonage houses enabled several imaginative projects to be undertaken such as the provision of improved access and other facilities at St Mary's Litton Cheney and an entirely new heating system for St John the Baptist Hawkchurch.

In its third year of operation the Aldhelm Mission Fund Group made awards totalling nearly £34,000 towards ten mission and evangelism projects.

Some £98,000 was granted to individuals in training for ministry roles and £92,000 to clergy taking up new appointments. The Sudan Committee awarded £154,000 to individuals and organisations in the Episcopal Church of the Sudan.

An analysis of grants paid is shown at note 20.

DBF Trusteeship: There were six requests to vest property in the Board, mostly related to parish property identified as part of the on-going project to carry out voluntary first registration of all church land with the Land Registry by 2013. This project has made excellent progress with 119 parishes having been contacted and the first registration of glebe and benefice property and over 200 churches having been achieved. 13 trusts obtained Board consent to make applications to the Charity Commission, mostly to wind up small trusts which released £23,000.

Financial Review of 2008: Overall the Board had a deficit of £13.5m principally because the changed economic conditions meant that a write down in the value of our properties of £11.7m was needed. In addition a deficit on the lay staff pension scheme has led to an exceptional charge of £1.3m. These exceptional items are detailed in note 16 to the accounts.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

On the General Fund's recurring budgeted activities, the Board had surplus of £446,000, though this was reduced to £279,000 after the expenditure on unbudgeted mission and other projects is included. This surplus is attributable to:

- Lower than expected spending on clergy stipends due to posts being unfilled
- Stipends income exceeding the budget by £252,000 due to extra ministry support from the Archbishops' Council and higher investment income
- A legacy of £82,000
- A good record of Share payment

Total net outgoing resources for the year were £13.5m (2007: £540,000).

Total incoming resources showed 3% increase to £12.08m (2007 -£11.72m). The Share outcome for the year was again encouraging with, at the cut off date of 31 January 2009, 96.7% of the 2008 allocation having been paid, a marginal improvement on the 96.6% a year earlier. The Board is grateful to all the parishes in the diocese for this excellent response.

Excluding the exceptional items referred to above, the majority of expenditure remained at very similar levels to 2007. The most significant items were again those on clergy stipends, national insurance and pension contributions, amounting to £6.32m (2007 - £6.2m); clergy housing £1.99m (2007 - £1.69m) and all other costs in support of ministry and mission £2.71m (2007- £2.88m). These costs accounted for 90% of expenditure, excluding the exceptional items.

The annual investment review concluded that no changes should be made. The drop of some 25% in financial investment values compared favourably with the reduction of 30% in the FTSE All-Share index. Not surprisingly in such market conditions total returns on our investment assets were disappointing; most of these though are held for endowment funds and therefore not available to meet current expenditure.

Plans for future periods: The Directors will continue to develop and monitor budgets that reflect strategic objectives, mission priorities and new income sources, whilst making every effort to limit future increases in the total Parish Share to not more than the projected increase in the RPI. In the difficult economic condition now prevailing considerable caution will need to be exercised before embarking on new initiatives requiring funding.

BACKGROUND INFORMATION

The Church of England: The smallest pastoral area in the Church of England is the parish. Each parish usually has one parish church (although it may have more) and may also have one or more chapels of ease (often called daughter churches). A benefice is a parish or group of parishes served by an incumbent, and by carrying out spiritual duties in the parishes of a benefice the incumbent is entitled to a stipend and parsonage house. A deanery is a group of benefices over which a rural dean has oversight and an archdeaconry is a group of deaneries for which an archdeacon is responsible. A diocese is the main administrative and pastoral area of the Church of England and may contain several archdeaconries under the leadership of a diocesan bishop assisted by suffragan bishops.

Parochial Church Councils: The parochial church council (PCC) is the elected governing body of a parish. It is made up of the incumbent (who is the chairman), the churchwardens and a number of elected members. PCCs are independent charities excepted from registration with the Charity Commission. Their annual report and accounts may be obtained by contacting the relevant PCC secretary. PCC accounts do not form part of these accounts.

SALISBURY DIOCESAN BOARD OF FINANCE

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Deanery Synod: Deanery synods have two houses; laity, mainly people elected by their parishes, and clergy, mainly the beneficed and licensed clergy in the deanery. The role of deanery synod is to consider matters concerning the Church of England; to bring together the views of the parishes of the deanery; to effect decisions made by Diocesan Synod; to act as a channel of communication to express the views of deanery synod to Diocesan Synod and thence to General Synod; to respond to requests from General Synod; to raise with Diocesan Synod such matters as it considers appropriate; and to elect representatives of the deanery to the Diocesan Synod and of the diocese to General Synod. Deanery Synods do not generally have significant financial transactions.

Diocesan Synod: The Diocesan Synod is the statutory governing body of a diocese. Its members are also the members of the Board. It is elected with representation from all parts of the diocese and roughly equal numbers of clergy and lay people (laity), who meet together in Synod with the Bishop and other senior clergy. The role of Diocesan Synod is to consider matters concerning the Church of England and make provision for such matters in relation to its diocese; to act as a forum for discussion of Christian opinion on any matter (religious or public interest); to advise the Bishop on any matter on which he may consult it; to deal with matters referred by General Synod and to refer matters to the General Synod; and to make provision for the financing of the diocese as the Diocesan Board of Finance.

General Synod: The General Synod is the legislative and deliberative body of the Church of England at national level. It makes decisions on doctrinal matters, liturgical matters and relations with other Churches. It passes Measures which, if accepted by Parliament, have the force of Acts of Parliament. The General Synod contains three groups or houses of members with members from every diocese; the Houses of Bishops, of Clergy and of Laity. The Houses of Bishops and Clergy together form the two Convocations of the Province of Canterbury and the Province of York.

Reporting to General Synod, but not subordinate to it is the Archbishops' Council, which is the Church of England's policy discussion forum.

Independent of the Archbishops' Council, but co-operating closely with it, the Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for the parochial clergy.

The financial transactions of General Synod, the Church Commissioners and the Archbishops' Council do not form part of these accounts.

Salisbury Cathedral: Salisbury Cathedral is a separate charity. Its address is The Chapter Office, 6 The Close, Salisbury SP1 2EF.

Bishops: The costs of episcopal administration, other than office equipment and IT support, are met by the Church Commissioners.

The Diocese of Salisbury: The Diocese of Salisbury was founded in 1075 and covers an area of 2,046 square miles, with a population of some 881,000. There are two Episcopal Areas, four Archdeaconries, 19 Deaneries, 161 Benefices and 456 Parishes.

The financial affairs of Salisbury Diocese are undertaken through two registered charities:

- Salisbury Diocesan Board of Finance (registered charity number 240833)
- Salisbury Diocesan Board of Education (registered charity number 1059195)

Salisbury Diocesan Synod: The Synod met on three occasions during 2008, with good attendance and involvement by Synod members. The main areas of business included:

- Transforming our understanding and nurturing of young people so we can improve their wellbeing
- Approving proposals for a pre-Lambeth conference and a Diocesan Pilgrimage celebrating the 35th Anniversary of the Sudan Link, proposals for a pilot project to determine a strategy for our church buildings and proposals for a new ecumenical post in Wiltshire
- A second discussion on the strategic deployment of ministers
- A presentation on the pioneer posts selected for funding as agreed at November 2007 Synod.
- New delivery proposals for the Ordained Lay Ministry (OLM) Scheme

SALISBURY DIOCESAN BOARD OF FINANCE

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

- Approving the constitution Diocesan Pastoral and Mission Committee and the amendments to the terms of reference of Bishop's Council, the Archdeaconry Pastoral Committee and the new working group on closed churches in the light of the Diocesan Mission and Pastoral Measure 2007.
- The first annual report from the Cathedral on activities in 2008 and aspirations for the Cathedral in the next 10 years.
- The introduction to the Fully Alive project for 2009/2010
- A report from the Chairman of the Advisory Group for the Vacancy in the See of Sherborne
- Theological reflections on Human Resources Management in the context of the forthcoming Clergy Terms of Service legislation

Bishop's Council: The Council met eight times and, in addition to preparing the items for Synod, the main areas of business included:

- Considering an over-arching strategy for learning throughout the Diocese
- Agreeing proposals to alter pension provision for diocesan lay staff
- Developing a new strategy for vocations and spirituality
- Contributing to a national consultation on the subject of retirement housing for clergy
- Discussing how best to integrate youth ministry into our diocesan common life
- Considering the ongoing training of retired ministers
- Receiving reports from the Advisory Group for the Vacancy in See of Sherborne
- Considering the implications of the Lambeth conference for the Diocese and the wider church
- On-going work to develop a strategy for Church buildings.
- Reviewing the effectiveness of the communications strategy
- Monitoring the mission and evangelism priorities in the context of deanery strategic plans and deployment issues.
- Reviewing the work of the Finance Committee and the work of the Archdeaconry Mission & Pastoral and Property Committees.

The members of Bishop's Council are the directors and trustees of the Board. Members may be ex officio, or co-opted, or elected by the members of Salisbury Diocesan Synod. Elected members must themselves first be members of the Diocesan Synod. All trustees are given induction training on the role and responsibilities of trustees when first appointed and receive ongoing training as appropriate.

Bishop's Council have delegated to the Diocesan Finance Committee responsibility for all the detailed financial management of the Board. Bishop's Council is represented on the Committee and receives the minutes of all its meetings.

Salisbury Diocesan Board of Finance: The Board held its annual general meeting in June as part of the Diocesan Synod. The Finance Committee met nine times. The Board of Finance Executive and the Finance Committee carried out regular analysis of income and expenditure, risks, reserves, loans and investments, trusts, property and staff. In addition the Board:

- Approved the Annual Report and Accounts for 2007.
- Appointed auditors for the Board.
- Considered and approved the budget for Share assessment for 2009.

Diocesan Pastoral Committee: Under the provisions of the Pastoral Measure 1983 each diocese is required to form a diocesan pastoral committee with the principal duty "to review the arrangements for pastoral provision in the diocese or any part thereof" and to make recommendations to the Bishop. In Salisbury Diocese, Bishop's Council is the Diocesan Pastoral Committee, but deals only with policy matters. It is assisted by four Archidiaconal Pastoral Committees, to which all routine responsibilities are delegated, including the authority to prepare proposals for pastoral reorganizations for submission direct to the Bishop.

The Diocesan Pastoral and Mission Measure 2007 came into effect during the year and the Diocesan Synod approved the constitution of the Diocesan Mission and Pastoral Committee in June. Members of the committee and the Secretary attended seminars introducing the new legislation, with particular emphasis on Bishops Mission Orders which are to be drafted for two of the diocesan Pioneer Posts.

SALISBURY DIOCESAN BOARD OF FINANCE

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

At 31 December presentation to 50 benefices was suspended, in many cases to enable cross boundary collaboration, or deanery portfolio posts, envisaged in deanery strategic plans. Five Pastoral Schemes or Orders were brought into effect during the year and five other sets of proposals were under consultation.

The Archdeaconry Pastoral Sub Committees reviewed the deanery plans and, together with the Aldhelm Mission Fund, considered the pioneer post applications and made recommendations to the Bishop's Council.

LEGAL AND FINANCIAL INFORMATION

Salisbury Diocesan Board of Finance: The Salisbury Diocesan Board of Finance (The Board) was incorporated in 1882 and is constituted in accordance with the provisions of the Diocesan Boards of Finance Measure 1925. It is a company limited by guarantee and without a share capital. The guarantors are the members of the Board and the limit of their liability is £1. The governing instruments are the company's memorandum and articles of association. The Board is also a registered charity and is not liable to Corporation Tax on its charitable activities.

The Board's principal activity is to promote and assist the work and purposes of the Church of England in the diocese of Salisbury. This is achieved principally through the provision and support of ministry in the parishes of the diocese. The DBF Executive (which has the same membership as Bishop's Council) acts as the financial executive of Diocesan Synod and as custodian trustee for parochial trusts and other diocesan based charities. There have been no significant changes in these activities during the year.

Charitable contributions have been made as part of normal expenditure in the exercise of the Board's objectives. No political contributions have been made. The Directors are satisfied that the Board has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

The Board continues to have significant financial transactions with the Archbishops' Council of the Church of England, the Church Commissioners, the Church of England Pensions Board, the parochial church councils within the Diocese of Salisbury and other charitable organisations whose activities extend over the Diocese. None of these is a connected charity in the sense defined by charity law.

Salisbury Diocesan Board of Finance has no subsidiary companies.

Investment policies: The Board has the power to invest surplus funds in appropriate investments and for this purpose principally makes use of the unlisted common investments funds managed by CCLA Investment Management Ltd and M&G Investment Management Ltd so as to minimize investment risk. The Board undertook its annual investments review during 2008 and concluded that no changes should be made.

The Board holds unlisted investments in four of its funds: the General Fund, the Pastoral and Development Fund, the Stipends Fund Capital Account and Trusts. The investment policy for each Fund is as follows:

General Fund: To hold investments in a mix of equity, fixed interest and property based common investment funds. The investments held for this Fund gave a total return over the year of -21.7%; capital -26.4% and income +4.7%.

Pastoral and Development Fund: To hold investments in a mix of equity and property based common investment funds. The investments held for this Fund gave a total return over the year of -23.0%; capital -27.1% and income +4.1%.

Stipends Fund Capital Account: To hold investments in a mix of equity, fixed interest and property based common investment funds. The investments held for this Fund gave a total return over the year of -20.2%; capital -24.4% and income +4.2%.

Trusts: To hold all investments in the CBF Church of England Investment Fund. The investments held for the Trusts gave a total return over the year of -21.9%; capital -25.5% and income +3.6%.

The aim for each Fund's investment is long term capital and income growth, though with a greater emphasis on income for General Fund and Stipends Fund Capital Account investments so as to minimise the burden of Share

SALISBURY DIOCESAN BOARD OF FINANCE

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

on parishes. In addition the Board holds real property as an investment. Principally this is historic glebe property held for the Stipends Fund Capital Account, but clergy houses and former church buildings may also be classified as investment property when they are let commercially on a long term basis.

Reserves policies: The Board has reserve policies for three of its Funds:

Pastoral and Development Fund: As this Fund is used principally to buy clergy houses, the Board's policy is to have a reserve expressed in terms of the cost of six clergy houses. Based on recent experience an average cost of £300,000, gives a reserve requirement of £1.8m. The reserve is defined as the Fund's net assets excluding the amounts held as tangible fixed assets, loans granted to parishes and commitments given for loans. By this definition, at 31 December 2008 the Board's PDF reserve stood at £1.272m, a shortfall of £528,000 compared with the target reserve. The unrestricted, but designated, PDF reserve stood at £1.146m so a transfer of £618,000 from the PDF reserve brings the two Pastoral and Development Funds to the target reserve.

General Fund: The Board's policy is to have a reserve, defined as net assets excluding the amount held as tangible fixed assets, within a range of + / - 10% of the greater of 25% of the estimate for the year after next's net expenditure and the amount identified as the residual risk on the Diocesan Risk Register. The reference to net expenditure is to recognise the Board's extensive commitments in respect of stipendiary clergy and lay staff.

Accordingly the reserve position at 31 December 2008 is considered in the light of the likely budget for 2010. At 31 December 2008 the General Fund reserve as defined, was some £2.4m below the top of the range defined under the policy. This is a reduction of £2.6m from the surplus reserve reported a year ago and reflects the reduction of investment values and the impact of the lay staff pension deficit. The Board will be monitoring the position carefully over the coming year.

Stipends Fund Capital Account: The purpose of this endowment account is tightly prescribed and is primarily to provide an income towards the cost of clergy stipends. The Board's policy is to retain the investments for capital growth and to generate income for this purpose.

Grant making policies: The Board makes a variety of grants to the clergy and parishes of the Diocese, the Archbishops' Council and the Episcopal Church of the Sudan, all in furtherance of its charitable objects.

Risk management: The Board reviews on a regular basis the major risks to which it is exposed. These are recorded in a risk register and the actions identified to mitigate them. The principal risk is that the parish Share in any given year will not be paid in full and fail to cover increasing stipend, housing, salary and pension costs. To the extent that it is not, and in the absence of any provision in the budget for a shortfall, the Board's General Fund reserve will be reduced. Other risks concern matters such as reputation and key staff.

Custodian trusteeship: The Board is custodian trustee for trust financial assets with a market value of approximately £17.3m at 31 December 2008 (2007- £20.4m). These assets are held for parishes in the diocese and other charities whose area of benefit is the Diocese of Salisbury. Certificates detailing all holdings and balances as at 31 December 2008 have been sent to parishes. The Board is also custodian trustee for all parish real property. As custodian the Board is responsible for the safe custody of all trust assets but does not control them. Trust assets are held separately from the assets of the Board.

Trustees: There were two changes to the trustee body during the year. The Diocese said a fond farewell to Bishop Tim Thornton prior to his move to become Bishop of Truro and the Rev Bob Thorn was co-opted to fill an existing vacancy.

Relationships with other church bodies:

General Synod, Archbishops' Council and Church Commissioners

While the Board is responsible for the funding of clergy stipend costs, the national clergy payroll is administered by the Church Commissioners whom the Board reimburses regularly for the costs of stipendiary clergy deployed in the diocese. The Church Commissioners also make grants to the Archbishops' Council of the Church of England for ministry in some dioceses. The Archbishops' Council, a charity and the executive body of the General Synod, funds the administration of the General Synod of the Church of England, its boards and committees, and work undertaken on behalf of the Church nationally, and the Board contributes to these costs annually according to a formula agreed by General Synod.

SALISBURY DIOCESAN BOARD OF FINANCE

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Parochial Church Councils (PCCs)

The main part of the Board's income is the contribution of parish Share from the parishes in the diocese, with each parish being governed by its PCC. The Board assesses the parish Share to PCCs under the "Fairer Share" method of apportionment introduced in 2005, but the payment of the parish Share is essentially a voluntary donation by PCCs to the Board. As referred to above, the Board also acts under Measure as custodian trustee in relation to PCC property and endowments.

Salisbury Diocesan Board of Education Ltd (SDBEL)

The trustees consider that SDBEL is a connected charity, having related objects and a shared management. SDBEL is a company limited by guarantee and a registered charity. Although the synodical work of the Board of Education is undertaken under the statutory umbrella of the Board of Finance, SDBEL retains its separate corporate identity for its role as trustee of the Uniform Statutory Trust funds (held for the improvement of the fabric of the church school buildings in the diocese) as well as a large number of church school and educational trusts. SDBEL has established a wholly owned trading subsidiary, SALED Ltd, to raise funds in support of its charitable purposes. Details of the financial transactions between the Board and SDBEL are reported in note 23 to the accounts. SDBEL's address is The Diocesan Education Centre, Devizes Road, Salisbury SP2 9LY

Public Benefit: The directors of the Board are aware of the Charity Commission's guidance on public benefit in *The Advancement of Religion for the Public Benefit* and have had regard to it in their administration of the Board.

The Board believes that, by promoting the work of the Church of England in the diocese of Salisbury, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so the Board provides a benefit to the public by:

- providing for pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
- promoting Christianity, Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Auditors: At the AGM Mazars LLP were re-appointed as the Board's auditors for a further year.

Statement of Trustees' Responsibilities: Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the net incoming resources or resources expended of the charity for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the charitable company's directors and trustees, we certify that:

- so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- as the directors and trustees of the charitable company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Signed on behalf of the Board:

Approved by the Board on:



G D WILLIAMS

23 April 2009

SALISBURY DIOCESAN BOARD OF FINANCE

Independent auditors' report to the members of Salisbury Diocesan Board of Finance

We have audited the financial statements of Salisbury Diocesan Board of Finance for the year ended 31 December 2008 which comprise Income & Expenditure Account, Statement of Total Recognised Gains and Losses, Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes. These financial statements have been prepared under accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors, trustees and auditors

As described in the Statement of Director and Trustees' Responsibilities the trustees, who are also directors for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' and Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors and Trustees remuneration and transactions with the charity is not disclosed.

We read the Directors' and Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charitable company's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees and Directors' Report is consistent with the financial statements.

Mazars LLP
Mazars LLP

Chartered Accountants and Registered Auditors
Regency House
3 Grosvenor Square
Southampton
SO15 2BE

13 May 2009

SALISBURY DIOCESAN BOARD OF FINANCE

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>
	£'000	£'000
Gross income from continuing activities	11,960	11,718
Total expenditure of continuing activities	<u>(12,293)</u>	<u>(11,988)</u>
	(333)	(270)
Realised net losses on disposals of tangible fixed assets	(26)	(56)
Impairment in the value of functional property in continuing use	(11,748)	-
Realised net gains on disposals of investment assets	30	14
Write down in the value of property held for disposal at the year end	(66)	(214)
Deficit on lay staff pension scheme	<u>(1,330)</u>	-
Net expenditure for the year	<u><u>(13,473)</u></u>	<u><u>(526)</u></u>
Analysed between funds as:		
Unrestricted funds		
General Fund	(1,370)	234
Aldhelm Mission Fund	(26)	(37)
Ordinands Support Fund	(87)	(70)
Crompton Fund	(66)	8
	<u>(1,549)</u>	<u>135</u>
Restricted funds		
Pastoral and Development Fund (DPA)	(2,838)	(538)
Sudan General Fund	9	26
Sudan Relief and Development Fund	4	(1)
Sudan Medical Link Fund	4	21
Sudan Bilal Fund	1	-
Sudan Grace Secondary School Fund	4	-
Milton Abbey Fund	7	18
Latvia Fund	-	(1)
Diocesan Choral Fund	1	2
Bishops' Office Equipment fund	2	3
	<u>(2,806)</u>	<u>(470)</u>
Endowment funds		
Diocesan Stipends Fund Capital Account	(1,939)	(191)
Benefice Houses Fund	(7,179)	-
	<u>(9,118)</u>	<u>(191)</u>
Total for all funds	<u><u>(13,473)</u></u>	<u><u>(526)</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
AND RECONCILIATION OF MOVEMENT ON ALL FUNDS

Net deficit for the year	(13,473)	(526)
Unrealised net gains on revaluation of tangible fixed assets	-	24,258
Revaluation of a loan liability linked to a property asset	-	(27)
Unrealised net losses on revaluation of fixed asset investments	<u>(3,679)</u>	<u>(125)</u>
Total recognised gains for the year	<u>(17,152)</u>	<u>23,580</u>
Total funds brought forward at 1 January	128,462	104,882
Total funds carried forward at 31 December	<u><u>111,310</u></u>	<u><u>128,462</u></u>

SALISBURY DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Unrestricted funds		Restricted funds	Endowment funds	Total funds	Total funds
		General	Designated				
		£'000	£'000	£'000	£'000	£'000	£'000
Incoming resources							
Incoming resources from generated funds:							
Voluntary Income							
Parish Share	2	8,698	-	-	-	8,698	8,678
Archbishops' Council & Church Commissioners	3	70	33	203	-	306	113
Other voluntary income	4	454	4	281	-	739	875
Activities for generating funds	5	199	-	18	-	217	190
Investment income	6	258	30	719	-	1,007	945
Incoming resources from charitable activities							
Fees and provision of resources & services	7	441	-	552	-	993	917
Other incoming resources	8	-	-	2	115	117	1
Total incoming resources		10,120	67	1,775	115	12,077	11,719
Resources expended							
Cost of generating funds:							
Cost of generating voluntary income	9	28	-	-	-	28	35
Investment management costs	10	90	-	48	-	138	110
Charitable activities							
Contributions to the national church	11	788	-	-	-	788	807
Resourcing ministry and mission	12	8,988	246	1,785	-	11,019	10,733
Diocesan links overseas	13	7	-	237	-	244	238
Milton Abbey	14	4	-	35	-	39	27
Governance costs	15	37	-	-	-	37	38
Other resources expended	16	1,548	-	2,476	9,262	13,286	271
Total resources expended	17	11,490	246	4,581	9,262	25,579	12,259
Net incoming / (outgoing) resources before transfers		(1,370)	(179)	(2,806)	(9,147)	(13,502)	(540)
Gross transfers between funds	40	521	(524)	(524)	527	-	-
Net incoming resources before other recognised losses		(849)	(703)	(3,330)	(8,620)	(13,502)	(540)
Other recognised gains / (losses)							
Gains on revaluation of fixed assets for the charity's own use		-	-	-	-	-	24,231
(Losses) on investment assets	26	(756)	(80)	(368)	(2,446)	(3,650)	(111)
Net movement in funds	35	(1,605)	(783)	(3,698)	(11,066)	(17,152)	23,580
Reconciliation of funds							
Fund balances at 1 January		5,418	1,851	22,200	98,993	128,462	104,882
Fund balances at 31 December	36	3,813	1,068	18,502	87,927	111,310	128,462

The notes on pages 20 to 35 form an integral part of these accounts

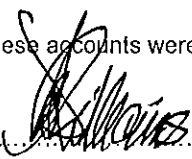
SALISBURY DIOCESAN BOARD OF FINANCE

BALANCE SHEET AT 31 DECEMBER 2008

	Notes	Unrestricted funds		Restricted funds	Endowment funds	Total funds	Total funds
		General	Designated				
		2008	2008	2008	2008	2008	2007
		£'000	£'000	£'000	£'000	£'000	£'000
FIXED ASSETS							
Tangible assets	24	3,259	-	15,690	74,471	93,420	106,316
Investments							
Investments	26	2,101	233	1,082	12,047	15,463	18,595
Programme related investments	27	-	-	64	-	64	64
		<u>5,360</u>	<u>233</u>	<u>16,836</u>	<u>86,518</u>	<u>108,947</u>	<u>124,975</u>
CURRENT ASSETS							
Stock	28	1	-	-	-	1	1
Clergy houses for sale	29	-	-	429	-	429	1,172
Debtors due within one year	30	434	-	31	-	465	1,214
Debtors due after one year	30	9	-	-	-	9	28
Deposit accounts	31	74	244	1,279	1,391	2,988	1,508
Cash at bank and in hand		(116)	591	31	18	524	376
		<u>402</u>	<u>835</u>	<u>1,770</u>	<u>1,409</u>	<u>4,416</u>	<u>4,299</u>
CREDITORS: due within one year	32	1,707	-	79	-	1,786	545
NET CURRENT ASSETS		<u>(1,305)</u>	<u>835</u>	<u>1,691</u>	<u>1,409</u>	<u>2,630</u>	<u>3,754</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,055</u>	<u>1,068</u>	<u>18,527</u>	<u>87,927</u>	<u>111,577</u>	<u>128,729</u>
CREDITORS:							
Due after more than one year	32	242	-	25	-	267	267
NET ASSETS	36	<u>3,813</u>	<u>1,068</u>	<u>18,502</u>	<u>87,927</u>	<u>111,310</u>	<u>128,462</u>
representing:							
General Fund	37	3,813	-	-	-	3,813	5,418
Designated funds	37	-	1,068	-	-	1,068	1,851
Restricted funds	38	-	-	18,502	-	18,502	22,200
Endowment funds	39	-	-	-	87,927	87,927	98,993
	36	<u>3,813</u>	<u>1,068</u>	<u>18,502</u>	<u>87,927</u>	<u>111,310</u>	<u>128,462</u>

The Board does not have a separate revaluation reserve as the historic cost of most of its unrestricted assets are not known. All revaluation gains or losses are added to or deducted from the appropriate fund.

These accounts were approved by the Board on 23 April 2009


 (signed by) G.D. WILLIAMS

Member of the Board

The notes on pages 20 to 35 form an integral part of these accounts

SALISBURY DIOCESAN BOARD OF FINANCE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>
	£'000	£'000
Net cash outflow from operating activities	(934)	(1,908)
Returns on investment and servicing of finance		
Investment income	1,007	945
Interest paid	(3)	(3)
	<hr/>	<hr/>
Net cash inflow from investment and servicing of finance	1,004	942
Capital expenditure and financial investment		
Sales proceeds:		
Tangible assets held as endowments	1,739	244
All other tangible assets	1,227	2,165
Investment assets	38	1,014
Loans:		
Advanced	(7)	(124)
Repaid	310	124
Purchases:		
Tangible assets	(1,724)	(2,992)
Investment assets	(25)	(986)
	<hr/>	<hr/>
Net cash inflow / (outflow) from capital expenditure and financial investment	1,558	(555)
	<hr/>	<hr/>
Net increase / (decrease) in cash	<u>1,628</u>	<u>(1,521)</u>

	<u>2008</u>	<u>2007</u>
	£'000	£'000
Net cash outflow from operating activities	(934)	(1,908)
Net outgoing resources	(13,502)	(540)
Loss on sale of functional assets	25	57
Write down in the value of property held for disposal	66	214
Impairment review	11,748	-
Depreciation charge	27	38
Investment income	(1,007)	(945)
Interest payable	3	3
Change in debtors	465	(427)
Change in creditors	1,241	(308)
	<hr/>	<hr/>
Net cash outflow from operating activities	<u>(934)</u>	<u>(1,908)</u>

	1 Jan 2008	Cash flows	Other changes	31 Dec 2008
	£'000	£'000	£'000	£'000
Cash at bank and in hand	376	148	-	524
Deposit accounts	1,508	1,480	-	2,988
Loan creditors	(267)	-	-	(267)
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	<u>1,617</u>	<u>1,628</u>	<u>-</u>	<u>3,245</u>

The notes on pages 20 to 35 form an integral part of these accounts

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

a) Basis of preparation

The accounts have been prepared under the historical cost convention, modified by the revaluation of freehold properties and investments and in accordance with the Statement of Recommended Practice 2005 for charity accounts (the SORP) and the Diocesan Financial Statements Guide 3rd edition 2006 (the DFS guide).

The income and expenditure account does not conform with the standard Companies Act format as this would not give a proper view of the Board's activities

The accounts do not include revaluation reserves as required by the Companies Act 1985 because the directors believe that their inclusion would add nothing to the understanding of the accounts and is unnecessary because the funds of the charity are not distributable.

In accordance with the SORP the accounts include certain trusts which the Board controls and from which it also benefits.

b) Incoming resources

Incoming resources, including legacies, are generally included in the Statement of Financial Activities (SOFA) when the Board is entitled to the income and the amount can be quantified with reasonable accuracy. The categories of incoming resources in the SOFA are those set down in the DFS guide.

The Share paid by parishes is treated as income of the year in which it is received except that amounts received up to the end of January of the following year in respect of the previous year are included as income of the year.

c) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The categories of resources expended in the SOFA are those set down in the DFS guide augmented to reflect the Diocese's Sudan and Latvia links and Milton Abbey Church.

Costs of generating funds are the costs attributable to generating incoming resources from all sources other than undertaking charitable activities.

Resources expended on charitable activities comprise all the resources applied by the Board in undertaking its work to meet its charitable objectives.

Governance costs are the costs which relate to the strategic planning and the public accountability of the Board and its compliance with legislation and regulations.

Support costs are those costs incurred in the administration of the Board which whilst not themselves delivering a charitable activity are necessary to its proper administration, and are apportioned on an estimated basis of staff time engaged in such support activities.

d) Funds

The Board's funds have been grouped under the following headings

Unrestricted Funds are available for use at the discretion of the trustees. The General Fund is the principal fund for use in furtherance of the general objectives of the Board. There are also a number of other designated funds established by the Board for particular purposes.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors or restricted by Measure. The cost of raising and administering such funds are charged against the specific fund.

Endowment Funds are a category of restricted funds the capital of which may be either expendable or permanent.

The purpose of every Fund under each heading is set out in notes 37-39 to the financial statements. All income, expenditure and gains and losses are allocated to the appropriate fund.

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES (continued)

e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition. All freehold property is included in the balance sheet either at its open market value at 1 January 2007 or at cost if acquired subsequently. All freehold properties are revalued at regular four yearly intervals.

The Board has decided no depreciation is required on the freehold properties as:-

- Estimated economic life far exceeds 50 years,
- Any depreciation charges and accumulated depreciation would not be material,
- Buildings are maintained in a sound condition by a continual repairs and improvements programme, the cost of which is charged to the income and expenditure account.

As a result of the policy of non depreciation, the Board performs annual impairment reviews in accordance with the requirements of FRS 15 and FRS 11 to ensure that the carrying value of the properties is not more than the recoverable amount.

Depreciation on furniture, fittings and office equipment is charged on a straight line basis at rates between 10% and 50% in order to write off assets over their useful lives. A full year's charge is made in the year of acquisition.

f) Fixed Asset Investments

Unlisted investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals during the year.

Investment properties are included on the same basis as functional properties included under tangible fixed assets - see note 1e. Depreciation on freehold investment properties is not provided in accordance with SSAP19.

Programme related investments are included at the sum originally invested, less any impairments and, in the case of loans, repayments.

g) Stocks

Stocks are included at the lower of cost or net realisable value.

h) Pension Costs

The Board participates in a pension scheme for employees to provide benefits based on final pensionable salaries. The assets of the scheme are held separately from those of the company. Contributions are assessed by a qualified actuary so as to spread the cost over employees working lives. Further details are given in note 41a. Details of clergy pensions are given in note 41b.

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	Unrestricted		Restricted funds	Endowment funds	Total funds	Total funds
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
2. PARISH SHARE						
Share for the year per the Budget	8,949	-	-	-	8,949	8,861
Less: credit adjustments allowed	(21)	-	-	-	(21)	(39)
Request for the year	8,928	-	-	-	8,928	8,822
Less: discounts for early / Direct Debit payment	(35)	-	-	-	(35)	(33)
Less: shortfall in contributions	(299)	-	-	-	(299)	(301)
	8,594	-	-	-	8,594	8,488
Plus: arrears for previous years	94	-	-	-	94	175
	8,688	-	-	-	8,688	8,663
Plus: other contributions	10	-	-	-	10	15
	8,698	-	-	-	8,698	8,678
3. THE NATIONAL CHURCH INSTITUTIONS						
The Archbishops' Council						
Selective allocation	-	-	193	-	193	-
Parish Mission Funding grant	-	33	-	-	33	31
Ordained Local Ministry Scheme	17	-	-	-	17	19
The Church Commissioners						
Area Bishops' secretaries	53	-	-	-	53	50
Office equipment grant for bishops	-	-	10	-	10	13
	70	33	203	-	306	113
4. OTHER VOLUNTARY INCOME						
Ecclesiastical Insurance Group	123	-	14	-	137	136
Bequests	86	-	-	-	86	228
Salisbury DBE Uniform Statutory Trusts	132	-	-	-	132	120
Sarum St Michael Educational Charity	38	-	-	-	38	42
Other donations and grants	75	4	267	-	346	349
	454	4	281	-	739	875
5. INCOME FROM ACTIVITIES FOR GENERATING FUNDS						
Rental income from let clergy houses	199	-	-	-	199	168
Rents and sales at Milton Abbey	-	-	13	-	13	17
Fundraising events	-	-	5	-	5	5
	199	-	18	-	217	190
6. INVESTMENT INCOME						
Dividends receivable	183	11	474	-	668	601
Interest receivable	49	19	67	-	135	170
Rents from investment properties	-	-	178	-	178	147
Rents from other properties	26	-	-	-	26	27
	258	30	719	-	1,007	945
7. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES						
Statutory fees and chaplaincy income	2	-	545	-	547	544
Sales of goods and services associated with charitable activities	439	-	4	-	443	369
Church Commissioners-Guaranteed Annuities	-	-	3	-	3	4
	441	-	552	-	993	917

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	Unrestricted		Restricted funds	Endowment funds	Total	
	General	Designated			funds	funds
	£'000	£'000	£'000	£'000	£'000	£'000
8. OTHER INCOMING RESOURCES						
Gain on disposal of equipment and properties	-	-	2	115	117	1
	-	-	2	115	117	1
9. COST OF GENERATING VOLUNTARY INCOME						
Fund raising expenditure	-	-	-	-	-	8
Support costs	28	-	-	-	28	27
	28	-	-	-	28	35
10. INVESTMENT MANAGEMENT COSTS						
Glebe agent's fees	-	-	14	-	14	19
Other glebe expenses	13	-	34	-	47	33
Agents' fees on other let property	32	-	-	-	32	20
Other expenses on other let property	40	-	-	-	40	33
Non property investment management expenses	1	-	-	-	1	1
Share of support costs	4	-	-	-	4	4
	90	-	48	-	138	110
11. CONTRIBUTIONS TO NATIONAL CHURCH INSTITUTIONS						
The Archbishops' Council						
Training for ministry	328	-	-	-	328	311
National Church responsibilities	310	-	-	-	310	306
Grants and provisions	49	-	-	-	49	47
Mission agency pension contributions	24	-	-	-	24	23
Retired clergy housing costs (CHARM)	87	-	-	-	87	89
Pooling of ordinand candidates' costs	(10)	-	-	-	(10)	14
The Lambeth Conference Fund	-	-	-	-	-	17
	788	-	-	-	788	807
EXPENDITURE ON RESOURCING MINISTRY AND MISSION						
12. Parish ministry:						
Stipends and national insurance	3,441	-	1,325	-	4,766	4,627
Pension contributions	1,555	-	-	-	1,555	1,536
Less recharge to other departments	(140)	-	-	-	(140)	(160)
Housing costs	1,606	-	381	-	1,987	1,687
Removal, resettlement and other grants	153	-	-	-	153	127
Other expenses	115	-	-	-	115	122
Pioneer ministry posts	37	-	-	-	37	-
Sub total for parish ministry	6,767	-	1,706	-	8,473	7,939
Support for ministry and mission:						
Ministry and learning development	393	91	-	-	484	451
Area Offices and diocesan resources	267	-	-	-	267	255
Board of Education	496	-	-	-	496	432
Grants to all PCCs	-	-	-	-	-	484
Other support for ministry and mission	711	155	79	-	945	849
Support costs	354	-	-	-	354	323
Sub total for support for ministry and mission	2,221	246	79	-	2,546	2,794
Grand total for resourcing ministry and mission	8,988	246	1,785	-	11,019	10,733
DIOCESAN LINKS OVERSEAS						
13. Episcopal Church of the Sudan						
Grants	-	-	166	-	166	167
Support activities	-	-	71	-	71	66
The Church in Latvia and Evreux	-	-	-	-	-	1
Support costs	7	-	-	-	7	4
	7	-	237	-	244	238

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	Unrestricted		Restricted	Endowment	Total	Total
	General	Designated	funds	funds	funds	funds
	£'000	£'000	£'000	£'000	£'000	£'000
14. MILTON ABBEY CHURCH					<u>2008</u>	<u>2007</u>
Insurance	-	-	15	-	15	14
Repairs and other costs	-	-	20	-	20	9
Support costs	4	-	-	-	4	4
	<u>4</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>39</u>	<u>27</u>
15. GOVERNANCE COSTS						
Audit fees	13	-	-	-	13	13
Diocesan Synod expenses	5	-	-	-	5	6
Support costs	19	-	-	-	19	19
	<u>37</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>38</u>
16. OTHER RESOURCES EXPENDED						
Loss on sale of fixed assets	-	-	44	98	142	57
Deficit on lay staff pension scheme	1,330	-	-	-	1,330	-
Impairment in the value of functional property in continuing use	218	-	2,366	9,164	11,748	-
Write down in value of property held for disposal at the year end to estimated net realisable value	-	-	66	-	66	214
	<u>1,548</u>	<u>-</u>	<u>2,476</u>	<u>9,262</u>	<u>13,286</u>	<u>271</u>
17. ANALYSIS OF RESOURCES EXPENDED INCLUDING ALLOCATION OF SUPPORT COSTS						
	Activities undertaken directly	Grant funding of activities	Support costs	Total	Total	
	£'000	£'000	£'000	£'000	£'000	
Cost of generating voluntary income	-	-	28	28	35	
Investment management costs	134	-	4	138	110	
Contributions to national church institutions	-	788	-	788	807	
Resourcing ministry and mission	10,332	333	354	11,019	10,733	
Diocesan overseas links	83	154	7	244	238	
Milton Abbey	35	-	4	39	27	
Governance costs	18	-	19	37	38	
Other resources expended	13,286	-	-	13,286	271	
	<u>23,888</u>	<u>1,275</u>	<u>416</u>	<u>25,579</u>	<u>12,259</u>	
18. ALLOCATION OF SUPPORT COSTS						
	Activities undertaken directly	Grant funding of activities	Governance costs	Total	Total	
	£'000	£'000	£'000	£'000	£'000	
Staff costs	288	4	14	306	297	
Office administrative costs	89	-	4	93	72	
Office premises costs	95	-	1	96	70	
Finance costs	5	-	-	5	5	
Depreciation	14	-	-	14	24	
less already recharged to departments	(98)	-	-	(98)	(87)	
	<u>393</u>	<u>4</u>	<u>19</u>	<u>416</u>	<u>381</u>	
19. NET INCOMING RESOURCES FOR THE YEAR				Total	Total	
				2008	2007	
These are after charging:				£'000	£'000	
Depreciation				27	38	
Auditors' remuneration as auditors				13	13	
Interest payable				3	3	
				<u>3</u>	<u>3</u>	

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

20. ANALYSIS OF GRANTS PAYABLE	Number of grants		2008	2007
	2008	2007	£'000	£'000
To institutions				
national church responsibilities				
The Archbishops' Council (see note 11)	1	1	788	790
The Lambeth Conference Fund	-	1	-	17
	<u>1</u>	<u>2</u>	<u>788</u>	<u>807</u>
diocesan links overseas				
ECS Provincial Office / agencies	6	8	32	73
Sudanese dioceses / schools	16	7	93	74
	<u>22</u>	<u>15</u>	<u>125</u>	<u>147</u>
within the diocese				
PCCs	18	500	126	670
Other mission bodies	6	4	5	11
County ecumenical bodies	2	2	10	10
SW Regional Affairs Adviser	1	1	2	2
	<u>27</u>	<u>507</u>	<u>143</u>	<u>693</u>
To individuals				
diocesan links overseas				
Sudanese clergy & laity	16	18	29	20
within the diocese				
Individual training for ministry	68	71	98	81
Clergy taking up appointments	48	39	92	74
	<u>116</u>	<u>110</u>	<u>190</u>	<u>155</u>
Totals for all grants	<u>182</u>	<u>652</u>	<u>1,275</u>	<u>1,822</u>

21. STAFF COSTS	2008	2007
	£'000	£'000
Salaries & stipends	1,178	1,065
Social security costs	84	75
Pension costs (including £1.33m for the lay staff pension deficit (2007 - nil))	1,680	321
	<u>2,942</u>	<u>1,461</u>

No employee received remuneration in excess of £60,000 during 2008 or 2007.

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

	2008	2007
Resourcing parish ministry	3	3
Support for ministry and mission		
Ministry and learning development	8	8
Area offices and diocesan resources	6	6
Board of Education	10	10
Other support for ministry and mission	16	15
	<u>43</u>	<u>42</u>

The parochial stipendiary clergy are not employees of the Board and therefore their stipends, pensions and social security costs are not included in this note

22. TRUSTEES REMUNERATION AND EXPENSES

No trustee has received from the Board any remuneration for services as a trustee (2007 - nil). However, 11 (2007 - 11) trustees who held ecclesiastical office during the year were paid stipends through the Board of £248,000 (2007 - £235,000) and expenses as trustees of £2,000 (2007 - £2,000). Pension contributions on those stipends amounted to £81,000 (2007 - £74,000). Seven (2007 - 6) other trustees were reimbursed for travel and other incidental costs as trustees amounting to £2,000 (2007 - £2,000).

Twelve trustees were provided with housing by the Board during 2008 on account of their ecclesiastical office.

The wife of one clerical trustee is employed part time by the Board for administrative support and received remuneration of £11,000 (2007 - £10,000).

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

23. CONNECTED CHARITIES

The trustees consider that Salisbury Diocesan Board of Education Ltd (SDBEL) is a connected charity. The work of education in the Diocese is undertaken by the Board through the Board of Education as a department. SDBEL employs no staff of its own, though its trading subsidiary, SALED Ltd, does. The Board had previously provided a loan to SDBEL to assist with the relocation to, and development of, its new premises and this was repaid during the year. SDBEL grant aids the Board for its education work in the Diocese.

Transactions with SDBEL and SALED Ltd	<u>2008</u>	<u>2007</u>
Charged by SDBF:	£'000	£'000
to SDBEL for surveying services	288	185
to SALED Ltd for office services	13	10
	<u>301</u>	<u>195</u>
Charged by SALED Ltd:		
to SDBF for conference facilities	<u>8</u>	<u>6</u>
Grants made by SDBEL to SDBF	<u>132</u>	<u>120</u>
Loan from SDBF to SDBEL:		
balance at 31 December	<u>-</u>	<u>286</u>
Inter-company (debtor) balances at 31 December		
SDBEL	9	-
SALED LTD	<u>1</u>	<u>-</u>
	<u>10</u>	<u>-</u>

24. TANGIBLE ASSETS

	--- Unrestricted ---		- Restricted -	--- Endowment ---		Totals
	Property	Office equipment	Assistant staff houses and other property	Team Vicarages	Benefice Houses	
<u>Cost or valuation</u>	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2008 (note I below)	2,627	308	19,348	16,768	67,528	106,579
Additions	1,091	5	614	14	-	1,724
Disposals	-	(18)	(883)	(1,170)	-	(2,071)
Impairment (see note ii below)	(218)	-	(2,366)	(1,985)	(7,179)	(11,748)
Transfer between funds	(266)	-	(527)	266	527	-
Transfer to investment properties	-	-	-	(531)	-	(531)
Transfer from current assets	-	-	-	234	-	234
Transfer to current assets (see note 29)	-	-	(495)	-	-	(495)
At 31 December 2008	<u>3,234</u>	<u>295</u>	<u>15,691</u>	<u>13,596</u>	<u>60,876</u>	<u>93,692</u>
<u>Accumulated depreciation</u>						
At 1 January 2008	-	261	2	-	-	263
Charge for the year	-	27	-	-	-	27
Disposals	-	(18)	-	-	-	(18)
At 31 December 2008	<u>-</u>	<u>270</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>272</u>
<u>Net Book Value</u>						
At 31 December 2008	<u>3,234</u>	<u>25</u>	<u>15,689</u>	<u>13,596</u>	<u>60,876</u>	<u>93,420</u>
At 31 December 2007	<u>2,627</u>	<u>47</u>	<u>19,346</u>	<u>16,768</u>	<u>67,528</u>	<u>106,316</u>

Note i - All freehold property, including both functional and investment properties, was revalued to market value at 1 January 2007, subject to an impairment review at the end of 2007. This valuation and the subsequent impairment review were conducted internally by the Board's Property Secretary who is a Chartered Surveyor. Additions after this date are included at cost. The historical cost for most properties is not known.

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

24. TANGIBLE ASSETS continued

Note ii - An impairment review at the year end was undertaken internally by the Board's Property Secretary to bring the carrying value of the Board's properties to what could prudently be considered the recoverable amount. Accordingly an impairment charge as shown has been taken and charged against "Other resources expended" in the Statement of Financial Activities (see Note 16).

25. HERITAGE AND OTHER TANGIBLE ASSETS

The Board owns Milton Abbey Church which has a nil valuation attributed to it because of its restricted use, its restricted access and the long term maintenance liabilities which attach to it. A further eight former church buildings are vested in the Board following redundancy; of these, four are let on long leases at nominal rents, one is let on a commercial basis and the future of three remain under discussion. Following the property revaluation in 2007, a total valuation of £130,000 has been attributed to these properties, of which one, with a valuation of £55,000 has been included with investment properties.

26. INVESTMENT FIXED ASSETS	<u>2008</u>	<u>2007</u>
a. Unlisted Investments	£'000	£'000
Market value at 1 January	14,299	14,799
Additions at cost	(5)	986
Disposals at carrying value	-	(998)
Net investment gains / (losses)	(3,599)	(488)
Market value at 31 December	<u>10,695</u>	<u>14,299</u>
b. Investment Properties		
Carrying value at 1 January	4,296	3,988
Revaluation at 1 January 2007	-	310
Additions at cost	29	-
Transfer from functional properties	531	-
Disposals at carrying value	(8)	(2)
Impairment (see note 24 i)	(80)	-
Net investment gains / (losses)	-	-
Carrying value at 31 December	<u>4,768</u>	<u>4,296</u>
Total Investment Fixed Assets at 31 December	<u><u>15,463</u></u>	<u><u>18,595</u></u>

For both investments and investment properties the historical cost is not known.

Unlisted Investments comprise:-

441,919 CBF Church of England Investment Fund shares (2007 - 441,919 shares)	4,132	5,550
140,021 CBF Church of England Fixed Interest Fund shares (2007 - 140,021 shares)	226	219
1,379,246 CBF Church of England Property Fund shares (2007 - 1,379,246 shares)	1,666	2,181
353,115 M&G "Charifund" units (2007 - 353,115 units)	3,477	5,132
1,002,405 M&G "Charibond" units (2007 - 1,002,405 units)	1,194	1,217
	<u>10,695</u>	<u>14,299</u>

Investment Properties comprise:-

Glebe Agricultural land	2,764	2,771
Other property	1,418	1,470
Two former clergy houses	531	-
A former church	55	55
	<u>4,768</u>	<u>4,296</u>

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

27. PROGRAMME RELATED INVESTMENTS

Programme related investments comprise equity share loans in two properties for clergy at retirement. Such investments are made directly in pursuit of the Board's charitable purposes rather than for financial investment purposes. The amounts shown represent the sums originally advanced as required under SORP 2005.

28. STOCKS

	<u>2008</u> £'000	<u>2007</u> £'000
Publications, Churchwarden's and Sidesmen's badges	<u>1</u>	<u>1</u>

29. CLERGY HOUSES FOR SALE

	<u>2008</u> £'000	<u>2007</u> £'000
Carrying value as fixed assets	495	1,386
Write down to net realisable value	(66)	(214)
Held as current asset	<u>429</u>	<u>1,172</u>

30. DEBTORS

	<u>2008</u> £'000		<u>2007</u> £'000	
	Due within one year	Due in more than one year	Due within one year	Due in more than one year
Loans to parishes	-	-	-	12
Loans to Salisbury DBE Ltd	-	-	282	-
Other loans	28	9	30	16
Parish Share	266	-	317	-
Balance due on completion of the sale of a property for which contracts had been exchanged	-	-	403	-
Church Commissioners				
Diocesan Stipends Income Account	8	-	14	-
Other	3	-	13	-
Accrued income	95	-	126	-
Sundry debtors	65	-	29	-
Totals	<u>465</u>	<u>9</u>	<u>1,214</u>	<u>28</u>
Total Debtors	<u>474</u>		<u>1,242</u>	

31. DEPOSIT ACCOUNTS

	<u>2008</u> £'000	<u>2007</u> £'000
CBF Church of England Deposit Fund	2,988	1,458
Triodos Bank deposit	-	50
	<u>2,988</u>	<u>1,508</u>

32. CREDITORS

	<u>2008</u> £'000		<u>2007</u> £'000	
	Due within one year	Due in more than one year	Due within one year	Due in more than one year
a. Loans				
Talbot Village Trust	-	25	-	25
Church Commissioners	-	242	-	242
Totals	<u>-</u>	<u>267</u>	<u>-</u>	<u>267</u>

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

32. CREDITORS continued	<u>2008</u>		<u>2007</u>	
	£'000		£'000	
	Due within one year	Due in more than one year	Due within one year	Due in more than one year
b. Other Creditors				
Parish Share received in advance	1	-	-	-
HM Revenue & Customs	57	-	51	-
Liability for lay staff pension deficit	1,330	-	-	-
Grants received in advance	25		30	
Accruals	234	-	199	-
Commitments for grants given	32	-	86	-
Other creditors	107	-	179	-
Totals	<u>1,786</u>	<u>-</u>	<u>545</u>	<u>-</u>
Totals	<u>1,786</u>	<u>267</u>	<u>545</u>	<u>267</u>
Total Creditors	<u>2,053</u>		<u>812</u>	

	<u>2008</u>	<u>2007</u>
Loans due after more than one year fall due as follows:	£'000	£'000
1 - 2 years	-	-
3 - 5 years	-	-
after 5 years	<u>267</u>	<u>267</u>
	<u>267</u>	<u>267</u>

The loan from the Church Commissioners is a value linked loan representing an amount advanced to the Board for the purchase of a property on a equity sharing basis and is repayable on the disposal of the property.

33. FINANCIAL COMMITMENTS	<u>2008</u>	<u>2007</u>
	£'000	£'000
Capital expenditure authorised by the Board and contracted for but not provided for in the accounts	<u>52</u>	<u>107</u>
Capital expenditure authorised by the Board but not yet contracted for	<u>850</u>	<u>1,618</u>
Loans to parishes and Salisbury DBE Ltd authorised by the Board but not yet taken up	<u>592</u>	<u>539</u>
Estimate of grants to parishes, approved in principle by the Board subject to conditions	<u>40</u>	<u>40</u>

None of the above amounts has been charged in the accounts. No commitments approved by the Board but not paid during the year, have been charged to expenditure in 2008 (2007 - £51,240). There are no obligations under leases.

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

35. FUND MOVEMENTS IN THE YEAR

	At 1					At 31
<u>Note</u>	January <u>2008</u>	Incoming <u>resources</u>	Resources <u>expended</u>	<u>Transfers</u> <u>(Note 37)</u>	Gains <u>& losses</u>	December <u>2008</u>
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Unrestricted funds</u>						
37						
General Fund	5,418	10,120	(11,490)	521	(756)	3,813
<u>Designated funds</u>						
Clergy Conference Fund	21	-	-	17	-	38
Aldhelm Mission Fund	311	50	(76)	-	(40)	245
Ordinands Support Fund	56	3	(90)	80	-	49
Crompton Fund	317	14	(80)	(3)	(40)	208
Pastoral & Development Designated Fund	1,146	-	-	(618)	-	528
Totals for designated funds	1,851	67	(246)	(524)	(80)	1,068
Totals for unrestricted funds	7,269	10,187	(11,736)	(3)	(836)	4,881
<u>Restricted funds</u>						
38						
Pastoral & Development Fund [DPA]	21,126	86	(2,924)	(527)	(212)	17,549
Diocesan Stipends Fund Income Account	-	1,374	(1,374)	-	-	-
The Sudan Funds						
Sudan General Fund	79	187	(178)	-	-	88
Sudan Relief & Development Fund	4	4	-	-	-	8
Sudan Medical Link Fund	99	58	(54)	-	-	103
Sudan Bilal Fund	6	1	-	-	-	7
Sudan Grace Secondary School Fund	-	9	(5)	-	-	4
Milton Abbey Fund	45	42	(35)	-	-	52
Latvia Fund	2	-	-	-	-	2
Diocesan Choral Fund	7	5	(4)	-	(1)	7
Bishops' Office Equipment Fund	3	9	(7)	3	-	8
Restricted funds for ministry in parishes	333	-	-	-	(29)	304
Restricted funds for support of ministry in parishes	45	-	-	-	(11)	34
Restricted funds for general purposes	451	-	-	-	(115)	336
Totals for restricted funds	22,200	1,775	(4,581)	(524)	(368)	18,502
<u>Expendable endowment</u>						
39a						
Diocesan Stipends Fund Capital Account	29,364	115	(2,083)	-	(1,909)	25,487
Benefice Houses	67,528	-	(7,179)	527	-	60,876
	96,892	115	(9,262)	527	(1,909)	86,363
<u>Permanent endowment</u>						
39b						
Endowments for ministry in parishes	1,764	-	-	-	(451)	1,313
Endowments for support of ministry in parishes	74	-	-	-	(19)	55
Endowments for general purposes	263	-	-	-	(67)	196
	2,101	-	-	-	(537)	1,564
<u>Total endowment funds</u>	98,993	115	(9,262)	527	(2,446)	87,927
<u>Grand totals for all funds</u>	128,462	12,077	(25,579)	-	(3,650)	111,310

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

36. SUMMARY OF ASSETS BY FUND

	Note	Fixed assets		Current assets	Creditors	Net assets
		Tangible	Investments			
		£'000	£'000	£'000	£'000	£'000
Unrestricted funds	37					
General Fund		3,259	2,101	402	(1,949)	3,813
Designated funds						
Clergy Conference Fund		-	-	38	-	38
Aldhelm Mission Fund		-	117	128	-	245
Ordinands Support Fund		-	-	49	-	49
Crompton Fund		-	116	92	-	208
Pastoral & Development Designated Fund		-	-	528	-	528
Totals for designated funds		-	233	835	-	1,068
Totals for unrestricted funds		3,259	2,334	1,237	(1,949)	4,881
Restricted funds	38					
Pastoral & Development Fund [DPA]		15,690	628	1,328	(97)	17,549
Diocesan Stipends Fund Income Account		-	-	-	-	-
The Sudan Funds						
Sudan General Fund		-	-	88	-	88
Sudan Relief & Development Fund		-	-	8	-	8
Sudan Medical Link Fund		-	-	103	-	103
Sudan Bilal Fund		-	-	7	-	7
Sudan Grace Secondary School Fund		-	-	4	-	4
Milton Abbey Fund		-	-	56	(4)	52
Latvia Fund		-	-	2	-	2
Diocesan Choral Fund		-	2	5	-	7
Bishops' Office Equipment Fund		-	-	8	-	8
Restricted funds for ministry in parishes		-	147	157	-	304
Restricted funds for support of ministry in parishes		-	34	-	-	34
Restricted funds for general purposes		-	336	-	-	336
Totals for restricted funds		15,690	1,147	1,766	(101)	18,502
Expendable endowment	39a					
Diocesan Stipends Fund Capital Account		13,595	10,479	1,413	-	25,487
Benefice Houses		60,876	-	-	-	60,876
		74,471	10,479	1,413	-	86,363
Permanent endowment	39b					
Endowments for ministry in parishes		-	1,316	-	(3)	1,313
Endowments for support of ministry in parishes		-	55	-	-	55
Endowments for general purposes		-	196	-	-	196
		-	1,567	-	(3)	1,564
Total endowment funds		74,471	12,046	1,413	(3)	87,927
Grand totals for all funds		93,420	15,527	4,416	(2,053)	111,310

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

37. UNRESTRICTED FUNDS

Unrestricted funds comprise those funds which are available for application for the general purposes of the Board as set out in its governing document. Movements on these funds, including those which are designated are set out on page 30.

The General Fund meets or receives the balance on activities funded by the Parish Share through the diocesan budget. These activities include principally the costs of stipendiary ministry in the parishes of the diocese, including clergy housing, as well as all diocesan activities in support of parish ministry. The General Fund also meets all governance costs.

The Clergy Conference Fund meets the costs of the clergy residential conference, which is held every three years, with the most recent being held during 2006. The diocesan budget includes a provision each year (£17,000 in 2008) for the Fund, which is then used to meet the conference costs (see note 40).

The Aldhelm Mission Fund was established in 2004, to commemorate, in 2005, the 1300th anniversary of the consecration of Aldhelm as first Bishop of Sherborne. The purpose of the Fund is to support new expressions of church in the diocese and to help fund mission posts. Applications are invited from within the diocese for projects that connect the church to the wider community for the purpose of proclaiming the gospel.

The Ordinands' Support Fund was established by the Board in 2005, to provide a fund out of which the unpredictable costs of supporting ordinands and their families being sponsored by the diocese can be met. A sum of £80,000 for transfer to the Fund was provided for in the 2008 diocesan budget (see note 40).

The Crompton Fund was established by the Board in 2005, from a generous bequest from Col John Crompton. The Fund is used for clergy work-based learning, ministry skills development and special situations (see note 40).

The Pastoral and Development Designated Fund was established in 2004, to act as a buffer between the General Fund and the restricted Pastoral and Development Fund. In accordance with the reserves policy (described in the Trustees Annual Report) the Fund is to allow for transfers to or from the Fund and the General Fund, thereby providing flexibility for both Pastoral and Development Funds, when considered together, against the Pastoral and Development Fund reserve requirement. A transfer of £618,000 has been made from this Fund in 2008 (see note 40).

38. RESTRICTED FUNDS

The income funds of the Board include restricted funds comprising the following unexpended balances of donations, grants and investment income to be applied for specific purposes:

Pastoral and Development Fund. This is also known as the Diocesan Pastoral Account (DPA). Its purposes are laid down in the Pastoral Measure 1983, the main ones being:

- to meet costs incurred for the purposes of the Measure or any scheme or order made by the Measure except for salaries of regular diocesan employees.
- to meet costs of disposing of or maintaining houses or churches vested in the DBF or Church Commissioners
- for the benefit of another diocese
- for transfer to the DSF Capital or Income Funds

The Board uses the Fund principally for capital housing costs, redundant churches and for grants and loans to parishes for capital projects.

Diocesan Stipends Fund Income Account (DSF Income). This Fund receives the income arising from the Stipends Fund Capital Account and other income restricted to provide for stipends of clergy in the diocese. As so far this has always been less than the cost of stipends, the income has always fully expended with no balance carried forward.

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

38. RESTRICTED FUNDS (continued)

The **Sudan Funds** constitute the funds of the Board established to promote and manage the link between the Diocese of Salisbury and the Episcopal Church of the Sudan (ECS) which was established in 1973. The detailed management of the Sudan Funds is delegated to the Diocesan Sudan Committee which reports to the Board and is represented on it. The Committee's activities are channelled through four separate funds:

- **Sudan General Fund** - the primary purpose of this fund is the theological education and education more generally of Sudanese both through supporting individuals in their training for ministry and also the institutions and schools providing such training and education. The General Fund also receives and passes on donations from parishes in Salisbury Diocese which have established links with the Church in Sudan, mainly through visits from Sudanese bishops and other clergy.
- **Sudan Relief and Development Fund** - this Fund provides relief aid and grant aids development projects.
- **Sudan Medical Link Fund** - this Fund was established in 1986 through an initiative of Mrs Jill Baker. It funds and ships medical supplies into clinics in Sudan and supports training for health workers.
- **Sudan Bilal Fund** - this Fund was established to fund and support the training of Reverend Joseph Bilal during his theological training in the UK. The fund was also used to support his family during this period. The balance is retained to assist the Bilal family in their eventual return to Sudan.
- **Sudan Grace Secondary School Fund** – this Fund was established in 2008 through an initiative of Richard and Claire Budd during. The purpose of the fund is to provide a new secondary school in the Diocese of Kadugli.

Milton Abbey Fund holds the funds of the Milton Abbey Church Standing Committee whose purpose is to administer and maintain the Abbey Church of St Sampson and the chapel of St Catherine at Milton Abbas.

Latvia Fund holds the funds received to promote the diocesan link with the Evangelical Lutheran Church of Latvia.

Diocesan Choral Fund. This Fund dates from 1861 and holds the funds of the Group engaged with the running of choral festivals and the promotion of high standards of church music in the diocese. The detailed management of the Fund is delegated to the Diocesan Choral Group which reports to the Board.

Bishops' Office Equipment Fund. This Fund was established in 2007 following the Church Commissioners decision to devolve certain responsibilities for bishops' office equipment and IT support to dioceses. This responsibility was accompanied by funding which is restricted to this specific purpose and an annual grant in future years is anticipated to cover the Board's costs in this area.

Other Restricted Funds. The Board holds as restricted funds a number of trusts for or to support parochial ministry.

39. ENDOWMENT FUNDS

Endowment funds represent those assets which must be held either long term or permanently by the Board

a. EXPENDABLE ENDOWMENTS

Diocesan Stipends Fund Capital Account (DSF Capital). This account is governed by Measure and represents the value of glebe property and other investments held for the benefit of stipends as well as the value of team vicarages acquired with DSF Capital. Income from DSF Capital investments is applied to the DSF Income account.

Benefice Houses. Represents the value of the benefice houses in the diocese. When, following pastoral reorganisation, benefice houses are no longer required they are transferred either to the Pastoral and Development Fund (DPA) or to DSF Capital as glebe according to the terms of the Order in Council.

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

b. PERMANENT ENDOWMENTS

The Board holds a number of permanent endowments for or to support parochial ministry.

40. TRANSFERS

a. Unrestricted Funds

The net transfer of £521,000 to the General Fund was made up as follows:
£524,000 from Designated Funds as follows: £618,000 from the Pastoral and Development Designated Fund in accordance with the Board's reserves policy and £3,000 from the Crompton Fund to the General Fund, representing a contribution towards housing costs in a situation requiring special assistance. Offsetting this total was £17,000 to the Clergy Conference Fund and £80,000 to the Ordinands' Support Fund.

b. Restricted Funds

Pastoral and Development Fund. The transfer of £527,000 to Benefice Houses represents the cost of additions to two benefice houses less the carrying value of one property released from benefice house status over the cost of its replacement.

c. Expendable endowment

Benefice Houses. The transfer of £527,000 from the Pastoral and Development Fund represents the net investment in benefice houses during the year (see above).

41. PENSION COMMITMENTS

The Board participates in two main pension schemes, both operated by the Church of England Pension Board. Although both schemes are defined benefit schemes, because the Board is only one of a number of participating diocesan boards, it is not possible to identify the Board's share of underlying assets and liabilities for either scheme. Accordingly for the purposes of these financial statements both schemes are treated as defined contribution schemes rather than defined benefit schemes.

The notes in italics on each scheme have been provided to the Board by the Church of England Pensions Board.

(a) Lay Staff

The Board participates in the Church of England Defined Benefit Scheme (DBS), part of the Church Workers Pension Fund. At 31 December 2008 the Board had 39 active members (with a total of 1,504 Scheme members) and 21 deferred pension members (with a total of 1,432 Scheme deferred members) in this Fund.

The Board is unable to identify its share of the underlying assets and liabilities as each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. In such cases, FRS17 requires the employer to account for its contributions to the DBS as if it were a defined contribution scheme, but to make certain additional disclosures based on available information. The required disclosures, together with a description of the operation of the DBS, are given below.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the Scheme into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the Scheme are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

If following an actuarial valuation of the Life Risk Pool there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice-versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

SALISBURY DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

41. PENSION COMMITMENTS continued

A valuation of the DBS is carried out once every three years, the most recent being as at 31 December 2007.

In this valuation the Life Risk Section was shown to be in deficit by £5.5m and some £4.4m was notionally transferred from the employers' sub-pools to the Life Risk Pool. Of this, £84,800 was deducted from the Salisbury DBF sub-pool. This increased the employer's contributions that would otherwise have been payable. Other information relating to the valuation at 31 December 2007 is given below:

Market value of DBS	£176.6m
Market value of Salisbury DBF sub-pool	£2.850m
Market value of Life Risk Pool (1140 pensioners)	£67.7m

The Board's contribution rate to the lay staff DBS during 2008 was 31.60% but in the latter part of the year the Pensions Board advised a deficit on its section of the Scheme of £1.2m, following the actuarial valuation as at 31 December 2007. The Board is required to meet this deficit and has decided to make every effort to settle it by the end of 2009 at a cost of some £1.33m. Accordingly this sum has been provided for in the accounts as an exceptional item.

During the year the Board closed its DBS Scheme to new members who instead are eligible to join the Church of England Defined Contribution Scheme (DCS), part of the Church Workers Pension Fund. At 31 December 2008 the Board had 3 members in its DCS Scheme.

Three members of the Board's lay staff are members of the Teachers' Pension Scheme. This is a defined benefit scheme operated under the direction of the Department for Children, Schools and Families.

(b) Stipendiary Clergy

The Board participates in the Church of England Funded Pensions Scheme and is responsible for 204 members of the Scheme out of a total membership of approximately 10,000 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the Board is unable to identify its share of the underlying assets and liabilities - each employer in that Scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31 December 2006. This revealed a shortfall of £141m, with assets of £468m and a funding target of £609m, assessed using the following assumptions:

- An investment strategy of: a nil allocation to gilts for the next 10 years, increasing linearly to reach 30% after 20 years; and the balance of the assets in equities;
- Investment returns of 4.25% p.a. on gilts and 5.75% p.a. on equities;
- RPI inflation of 3.1% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 4.6% p.a.; and
- Post-retirement mortality in accordance with the PA00 tables, adjusted so that members are assumed to be two years younger than they actually are, with allowance for future improvements according to the "medium cohort" projections, and subject to a minimum annual improvement in mortality rates of 1% for males and 0.5% for females.

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

Following the results of the valuation, and some agreed changes to benefits, the Board's contribution rate decreased from 39.8% to 39.7% of pensionable stipends with effect from 1 April 2008.

SALISBURY DBF - NET EXPENDITURE BY BUDGET HEAD - YEAR TO 31 DECEMBER 2008

BUDGET HEAD	Budget for the Year	Actual for the Year	Variance
Board of Finance			
<i>Finance</i>			
Stipends	5,476,649	5,119,972	356,677
Clergy Terms of Service	10,000	30	9,970
Clergy Housing	1,168,590	1,334,480	(165,890)
National & Regional Church Resps.	482,200	472,783	9,417
National Training	357,630	317,665	39,965
Fees	78,450	72,818	5,632
General Income	(283,700)	(408,143)	124,443
<i>Property</i>			
DAC, Pastoral & Trusts	146,090	144,062	2,028
RCUC	15,850	15,938	(88)
Church Buildings	66,000	50,153	15,847
<i>General</i>			
General Administration	379,740	384,131	(4,391)
Communications	64,780	63,492	1,288
Synods	14,530	15,778	(1,248)
"Safeguarding people"	44,810	39,882	4,928
Sundries	9,000	12,576	(3,576)
Ramsbury Area Office	65,880	67,652	(1,772)
Sherborne Area Office	93,210	90,533	2,677
Diocesan Projects & Resources	50,740	57,491	(6,751)
Board of Education	232,470	227,268	5,202
L D M T	360,581	308,542	52,039
NET CHARGE on budgeted expenditure	8,833,500	8,387,101	446,399
Expenditure approved post budget	-	166,936	(166,936)
Lay staff pension deficit	-	1,330,000	(1,330,000)
NET CHARGE		9,884,037	(1,050,537)
Provision for Share adjs	15,000		
Provision for Ordinands Support	80,000	80,000	-
Provision for Clergy Conference	17,000	17,000	-
Provision for Episcopal Offices exps	3,000	3,000	-
SHARE TOTAL PER BUDGET 2008	8,948,500		
Net total after transfers		9,984,037	
SHARE			
Requested	8,927,900	8,629,305	298,595
Arrears received	-	93,918	(93,918)
Non parochial	-	10,000	(10,000)
SHARE Total	8,927,900	8,733,223	194,677
(DEFICIT)	(20,600)	(1,150,814)	
RECONCILIATION TO STATUTORY ACCOUNTS			
Deficit as above		(1,150,814)	
Losses on impairment review		(218,196)	
Adjusted total for General Fund		(1,369,010)	
Deficit reported in Statutory Accounts		(1,370,000)	