

THE CHURCH OF ENGLAND **BIRMINGHAM**

ANNUAL REPORT **2015**



THE CHURCH
OF ENGLAND
BIRMINGHAM

The trustees, who are also directors for the purposes of company law, present their trustees report together with the financial statements and auditors' report of the charitable company – the Birmingham Diocesan Board of Finance Limited (BDBF) for the year ended 31 December 2015. The financial statements comply with current statutory requirements, the Statement of Recommended Practice for Charities 2015 (“SORP2015”) and the Companies Act 2006.

This report is set out as follows:

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**It should be noted that the Annual Report gives narrative on the activities of Birmingham Cathedral, Birmingham Trustees Registered, Church Schools and individual parishes to give an overview of all diocesan activities. However, the financial information of these entities is not included in the BDBF financial statements. They have their own financial statements as separately constituted organisations. (See page 27 for details of the structure of the Church of England.)*

The members of the Bishop's Council set out below have held office during the period from 1 January 2015 to the date of this report, unless otherwise stated.

The Lord Bishop of Birmingham
- The Rt Revd David Urquhart (President)

The Bishop of Aston
- The Rt Revd Anne Hollinghurst (from 29/09/15)

BDBF Chair
- Mr Philip Nunnerly

Ex-officio

The Archdeacon of Birmingham
- The Ven Hayward Osborne

The Archdeacon of Aston
- The Ven Simon Heathfield

The Dean of Birmingham Cathedral
- The Very Revd Catherine Ogle

The Chair of the Diocesan House of Clergy
- The Revd Canon Martin Stephenson

The Chair of the Diocesan House of Laity
- Mr Stephen Fraser (to 28/11/15)
- Mr Steven Skakel (from 28/11/15)

General Synod representative

Dr Rachel Jepson (to 31/12/15)
Mr Geoff Shuttleworth (from 01/01/16)

Bishop's nominees

Mr Malcolm Owens (to 31/12/15)
The Revd Chris Hobbs (from 30/01/16)

Council appointments

Mrs Waveney Richards (to 31/12/15)
Miss Tariro Matsveru (from 25/02/16)

Elected - House of Clergy

The Revd Oliver Coss (from 01/01/16)
The Revd Canon Freda Evans (to 31/12/15)
The Revd Julian Francis (from 01/01/16)
The Revd Dr Andrew Jolley (to 31/12/15)
The Revd Douglas Machiridza (from 30/01/16)
The Revd John Routh (to 31/12/15)
The Revd Nigel Traynor
The Revd Claire Turner (from 01/01/16)
The Revd Priscilla White

Elected - House of Laity

Mr Ray Buick (to 31/12/15)
Mr Stephen Fraser (from 28/11/15)
Mr Michael Hastilow
Mr Guy Hordern (to 31/12/15)
Mr Trevor Lewis (from 01/01/16)
Mrs Deirdre Moll
Mr Peter Oakley (to 31/07/15)
Mr Julian Phillips
Dr Carol Starkie

DIOCESAN SECRETARY

Mr Andrew Halstead

DIOCESAN DIRECTOR OF FINANCE

Ms Melanie Crooks

DIOCESAN SURVEYOR

Mr Alan Broadway (until 08/04/16)

DIOCESAN REGISTRAR

Mr Hugh Carslake

REGISTERED OFFICE

1 Colmore Row
Birmingham
B3 2BJ

AUDITOR

RSM UK Audit LLP
St Philips Point
Temple Row
Birmingham
B2 5AF

BANKERS

Bank of Scotland
125 Colmore Row
Birmingham
B3 3SF

INVESTMENT ADVISERS

Smith and Williamson
Investment Management Limited
9 Colmore Row
Birmingham
B3 2BJ

PROPERTY AGENTS

Knight Frank
1 Colmore Row
Birmingham
B3 2BJ

Company registration number: 440966
Charity registration number: 249403

BISHOP'S FOREWORD



The Church of England - Birmingham engaged with a huge range of activities during 2015, exercising leadership and service in the shared Mission of God.

From local initiatives in parishes to national and international concerns there has been a consistent fulfilment of the aim to *grow churches at the heart of each community*.

The Archbishop of Canterbury during his visit in February caught glimpses of this variety with late night street pastors and early morning business people while also celebrating the 800th anniversary of a village church building and viewing a brand new city centre resource church. He joined a poverty conference arranged by our Thrive and Near Neighbours networks and participated in the Birmingham Interfaith Conversations.

Archbishop Justin also anointed and blessed over 150 clergy in a service of prayer and reflection in Birmingham Cathedral. This was one of the many highlights of the 300th anniversary of St Philip's that ended the year freshly lit and decorated, with a temporary installation of golden Soul Boats suspended from the ceiling.

In collaboration with the Church Commissioners, Church of England Birmingham has been implementing a number of our Transforming Church goals under the theme 'Growing Younger', with the appointment of a second wave of Mission Apprentices and the first Children's and Families' Missioners.

A new Bishop of Aston arrived at the end of the year, to join a talented and committed group of colleagues. She will be overseeing Mission and as Sponsoring Bishop for Ordinands is helping us to think hard about our policies during the national revolution in Resourcing Ministerial Education.

During 2015 we said farewell to some long-serving staff for whose skill and companionship the Church is very grateful.

Politically, Birmingham City Council elected a new Leader, John Clancy and continued to feel its way towards becoming smaller and more effective, at ward, city-wide and regional levels. The leader of Solihull is also the chair of the emerging West Midlands Regional Authority. How Faith groups and others partner with these changing political institutions is yet to be revealed. Nationally, I was appointed Convenor of the Lords Spiritual in the Westminster Parliament.

Other themes that drew the local Church's attention were the Environment, in a Birmingham-sponsored motion at General Synod, Migration, not least in receiving Syrian refugees and Financial Reform for which I joined the UK Banking Standards Board.

In May I accompanied the Archbishop on his first visit to China, where there was much encouragement from the fast-growing Christian movement.

All this activity and much more is only possible with fervent prayer, whether in the Cathedral before clergy Deanery breakfasts, or on Thursday mornings with ecumenical colleagues, in 1 Colmore Row, parish churches, religious communities, homes and through using the Praying Together leaflet.

I trust you will give thanks for all that is recorded in this Report and ask for God's blessing on the year ahead.

The Rt Revd David Urquhart
Bishop of Birmingham

CHAIRMAN'S STATEMENT



The Birmingham Diocesan Board of Finance ('BDBF') continues to act as the financial executive providing the resources which support the mission of the Church of England- Birmingham, including the valuable work of the Diocesan Board of Education.

We continue to be conscious of the need to contain the demands we make on the generosity of parishes through their Common Fund contributions. Pleasingly parishes have responded positively to a modest rise sought in 2015. These contributions remain critical to meeting the costs of clergy stipends, pensions and housing provision. Investment income continues to suffer from uncertainty in global markets which is reflected in suppressed returns from this source.

Our income benefitted in 2015 from contributions from the Church Commissioners towards Strategic Development Funding and a grant from them too towards the costs of acquiring and refurbishing St Luke's, Gas Street our new City Centre Resourcing Church. We have also received generous support from the Gloucester Diocesan Board of Finance in the form of an interest free loan again towards the cost of refurbishing St Luke's, Gas Street.

Our expenditure on our 'Growing Younger' strategic initiative and the refurbishment of St Luke's, Gas Street is lagging the receipt of income and therefore has inflated the year's net surplus. The Diocesan finances continue to be sound. However there remain challenges ahead, not least in the need to fund the costs of training an increasing number of ordinands required to succeed an ageing clergy.

What has been achieved in 2015 has only been possible as a result of the hard work and contribution of the clergy, volunteers in parishes, and the staff employed in the Diocesan office under the leadership of the Diocesan Secretary and the Director of Finance. We owe them all our deep gratitude for their respective contributions and continuing commitment to God's mission across the diocese.

Philip Nunnerley

Chair of Birmingham Diocesan Board of Finance



“We will continue to offer conferences, courses and tools to help churches grow both numerically and spiritually”

TRANSFORMING CHURCH

Ten diocesan goals

1. To grow the number of adults, young people and children within the worshipping Christian community year on year;
2. To make the most of opportunities presented by the occasional offices, the church calendar and invitational events such as Back to Church Sunday;
3. To develop an understanding of communications in every parish, promoting a church that is visible, welcoming and accessible;
4. To develop a spiritually enriching children's and youth ministry in every parish and church school, encouraging clustering where appropriate;
5. To ensure that a Christian Basics course of some kind is offered in every parish at least once a year;
6. To implement in every parish an appropriate strategy for making confident, prayerful disciples in their daily life;
7. To encourage an increasing number of worshipping Christians to take tithing seriously and to give at least 5% of their income to the local church;
8. To increase the range and spiritual fruitfulness of partnerships and community initiatives across the diocese;
9. To increase the number of leaders of all ages, and drawn from every ethnic group, who are trained and deployed in the church and wider community;
10. To encourage every parish community to think through the challenges of relating constructively to those of other faiths.

“Growing churches at the heart of each community”

Transforming Church has been at the heart of our diocesan mission strategy since 2009. Its aims continue to be the same: *growing churches at the heart of each community*. It aims to be a gift to the parishes, not an additional burden; to provide a framework for church development rather than a blueprint of how every church should look; and to start with the local church, but not finish there.

'Growing Younger' is a diocesan-wide initiative within our overall mission strategy of 'Transforming Church'. It is helping us to focus on goal number four of ten (see left), 'to develop a spiritually enriching children's and youth ministry in every parish and church school', and has been boosted by a welcome £1 million from the Church Commissioners. The aim is precisely to pass on the baton of the Christian gospel to children, young adults, including students, and young families, as part of our vision of 'growing churches at the heart of each community'.

“When a person starts to talk about their dreams, it's as if something bubbles up from within. Their eyes brighten, their face glows, and you can feel the excitement in their words.” JOHN C MAXWELL

If you haven't already heard, 2015 was an exciting year for Transforming Church as many of our hopes, prayers and dreams started being realised. It began with a significant investment of funds into the 'Growing Younger' initiative, a key element of our Transforming Church strategy, and ended with a vibrant and gifted team of Missioners, Facilitators and Apprentices working alongside over 90 congregations. To hear more of the story read on...

Mission Apprentices (MAs)



After a fun and very long Mission Apprentice Discovery (MAD) day in March we were delighted to be able to appoint ten new Mission Apprentices. They had their first residential together in July and were all in place in

their parishes by September. The group are scattered across the diocese in ten churches of varying traditions in our more deprived outer estates and inner city areas.

The Revd Canon Andy Jolley who has been chairing the Mission Apprentice scheme for the last three years sadly left us at the end of the year (to be Archdeacon of Bradford) and he will be hugely missed. However, we are thrilled that the Revd Emma Sykes, a Missioner in Boldmere and Leadership Specialist for CPAS, has kindly agreed to take on the role in his place and is already doing an excellent job.

Children's and Families' Missioners (CFMs)

We started the year with warnings from friendly Children's Advisers around the country that it would be hard to find the sorts of people we wanted to appoint to these CFM roles; namely, senior practitioners with proven experience of working well with children and their families, in bringing about organisational culture change and possessing an evangelist's heart and skills. They were certainly right that these people don't grow on trees but by the end of the year we had found 10 of the 16 we set out to find and we're continuing our search. Each of these are now settled into their parishes, have been to a residential together and are busily engaged in helping their churches reach out to 0-11s and their families.

Overseeing the initiative is Ruth Hassall (see later) and working alongside them is our evaluation and monitoring team, headed up by Dr Heather Buckingham and the Revd Andy Wooding Jones, funded generously by the Saltley Trust. Their task is to help us measure the strengths, weaknesses and effectiveness of all that goes on.



“We will tell to the coming generations the glorious deeds of the Lord, and his might, and the wonders he has done” (Psalm 78:4).

Growing Younger Facilitators (GYFs)

In the second half of the year we started our hunt for four Growing Younger Facilitators and were pleased to have all four by the end of the year: the Revd Janet Knox, Ruth Young, Damian Herbert and the soon to be Revd Rachel Heathfield. Headed up by Liz Dumain, one of our Assistant Directors of Mission, the team will be working with the 70 churches who have specifically asked for a Facilitator to help them reach out more effectively to children and their families.

Furthermore, alongside these three teams (MAs, CFMs and GYFs) to help with training and long term sustainability we have also appointed a Head of Training, a Development Manager and just before Christmas an Administrator. They are Helena Kittle, Debbie Stamp, and Helena Moss respectively.

And there's more...

In addition this year the TC team has been busy in setting up a number of other projects:

1. We have commissioned a report on the Fresh Expressions in the diocese and appointed a person with a special brief for this.
2. We have started to organise a Leading your Church into Growth weekend for April 2016.
3. We have developed **soul[food]** into a national resource (with the help of funding from the Jerusalem Trust).

And lastly, right at the end of the year, we reorganised our department and structures in order to develop our effectiveness and leadership capabilities. Specifically, we appointed three Assistant Directors of Mission to work closely with the Director of Mission, The Revd Rhiannon King, each with a general brief for mission but also with particular responsibilities. Steve Squires continues to oversee our Comms Department but now also has a special brief for World Mission, Fresh Expressions and Church Partnerships. Ruth (previously from a parish role and before that with CPAS and CMS) oversees the CFM programme but also is the go-to person on children and families. Liz (who comes to us after ten years with Youth for Christ) oversees the GYF work, is our finance liaison person as well as the lead person on our Diocesan Youth Strategy.

From April 2015 onwards we began to meet daily to undergird everything we do in prayer and we always welcome prayer requests from anywhere in the diocese. Please send them in to Debbie, our Development Manager who also serves as our Prayer Co-ordinator.

Right at the end of the year we were thrilled to welcome Bishop Anne into our midst who will oversee all of the above.



Highlights from the Year

Below are some highlights from the Bishop's Adviser for Children's Ministry:

Bishop's Certificate in Children's Ministry

A new group of students were recruited in September to a revised course which will have greater focus on working with children and their families on the fringes of church and building relationships in our communities.

Growing with God

Nick Harding, author and Children's Work Adviser for Southwell and Nottingham led 130 children's leaders in an exploration of how we can sow the seeds of faith in and with children.

Godly Play

The founder of Godly Play, Jerome Berryman visited the UK in April and inspired a new generation of Godly Play practitioners to help children build an understanding of Christian language, encounter God and explore a living faith. Birmingham has seen a revival of interest in Godly Play over the year with a thriving Godly Play Storytelling Circle and regular Godly Play Taster Days led by three Birmingham based Godly Play Advocates.

Faith Adventure

Living as a Christian is an adventure! It's challenging, exhilarating, sometimes scary, meaningful... It's about living life on the edge trusting that God will show up, it's about stepping out in faith and taking a stand for what you believe. A group of 50 children and young people who have been confirmed or admitted to communion before confirmation gathered at Blackwell Activity Centre to explore their ongoing adventure of life as a Christian and were joined during the day by Bishop David who cooked fish on the BBQ.

Learn to Listen

In church, we are very good at deciding what children and young people need, telling them what to do, making decisions on their behalf – but they have a wealth of ideas, suggestions and insights to share if only we will give them the time and space to do so, that can challenge and change the church in exciting ways. Birmingham children's workers attended a conference on Learn to Listen was held in Birmingham in November and are now ready to help share their ideas with deaneries and parishes.

www.cofebirmingham.com/growingyounger



HIGHLIGHTS FROM OUR PARISHES AND CHAPLAINS

Birmingham is the UK's second city with the youngest urban population in one of the most lively and diverse regions. The Birmingham diocese, founded in 1905, is one of 42 dioceses in the Church of England. Covering an area of nearly 300 square miles, the diocese includes parishes in the West Midlands including Birmingham and parts of Solihull, Sandwell, Warwickshire and Worcestershire.

Right at the heart of what we do there are 187 Church of England churches and worship centres with an average Sunday attendance of 17,000 from a population of 1.5 million. In these churches are clergy and church-goers representing a wide scope of Church tradition and breadth of ethnicity.

Over 150 paid priests, together with additional self-supporting ministers, offer spiritual and pastoral care in the parishes, together with retired clergy, readers, local ministry teams and other non-ordained ministers.

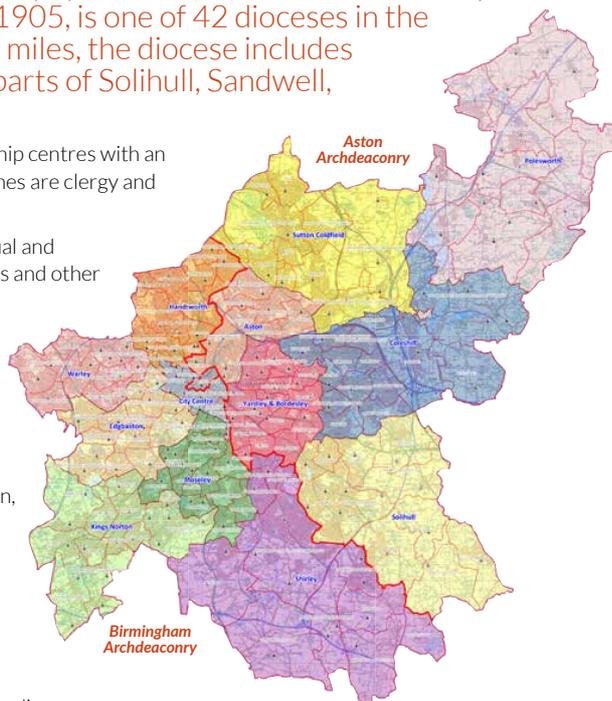
The ninth Bishop of Birmingham, The Rt Revd David Urquhart, was welcomed to Birmingham in November 2006. He leads the Church of England across the diocese and has formed a team of senior staff.

The Bishop shares his Episcopal oversight with the Suffragan Bishop of Aston, The Rt Revd Anne Hollinghurst, who took up the post in late 2015.

In the heart of the city, Birmingham Cathedral, dedicated to St Philip, is led by the Dean, The Very Revd Catherine Ogle. It has been a place of Christian worship since 1715 and was designed by the English Baroque architect, Thomas Archer.

The diocese is divided into two pastoral administrative areas led by the Archdeacon of Aston (The Ven Simon Heathfield) and the Archdeacon of Birmingham (The Ven Hayward Osborne). Each of these areas contains a number of Deaneries, or groups of parishes.

These pages contain some great stories from the clergy, lay people and chaplains in our diocese.



ST MATTHEW with ST CHAD



In 2015, we brought the teachings of our faith to life through installations called prayer stations for Holy Week, Easter, All Souls, Remembrance and Christmas. These enhance our regular worship and enable new ways of worshipping that are proving as attractive to the regular congregation as those who have joined us occasionally.

JESUS SHAPED PEOPLE

15 outer estate and inner city parishes have been engaged with Jesus Shaped People, a whole Church development programme. This has helped some of our most deprived Churches renew their vision and energy, and reach out in practical love to those around them. Please pray for Andy Delmege and the team as they oversee this and support parishes.

ST ALBAN Highgate



Churches Night Shelter with a difference. We are participating in conjunction with Stanhope Community Centre (Birmingham City Council), in whose premises our cohort of twelve guests are hosted. Volunteers come not only from our church congregation, but also from the Community Centre, ARK St Alban Academy's staff and the Quaker community, all united by the common task.

ST PHILIP Dorridge with ST JAMES Bentley Heath



We embarked on the project to demolish and rebuild St Philip's, Dorridge in 2011 and, after much work and prayer, planning permission was finally received in July 2015. We have now started a year of outreach and fundraising and to date have half of the £3.5 million needed. Seeing God at work throughout our journey has been amazing!

OUTER ESTATES GROUP

The Outer Estates Group offers support and collegiality to clergy from the 35 parishes in our outer social housing estates. We meet for a residential annually. Last year we had talks by Bishop Laurie Green and Professor Gillian Ahlgren. In sharing, we are able to be in good heart and share best practice in ministry and mission.

ST NICHOLAS Curdworth



The 850th Anniversary of St Nicholas Church, Curdworth was blessed by a visit from the Archbishop of Canterbury, Justin Welby for the Service of Thanksgiving on 23 February 2015. The Archbishop was welcomed by The Rev Joshua Raja, vicar of St Nicholas. The Archbishop gave an address after the choir sang the opening chorus of Vivaldi's *Gloria*.



“At the heart of what we do are 187 churches representing a wide scope of tradition and breadth of ethnicity.”

ST MARY Lapworth



The Window of Hope, a new stained glass window, was dedicated in September 2015 by the Ven Hayward Osborne. The glasswork by Tony Naylor of Hall Green depicts Lapworth as it might appear in the New Jerusalem of Revelation 21 & 22. There has been huge interest with many visitors coming to see the new window.

ST GABRIEL Weoley Castle



The St Gabriel's Centre supports older people to reduce self-neglect, isolation and social exclusion and increase the self-confidence and esteem of older people in Weoley Castle. Our older people's development worker and church & community volunteers run a befriending scheme, inter-generational activities and trips that support well-being and make a real difference to people's lives.

GARRETT'S GREEN



The Big Hoot captured everyone's imagination over the summer and thousands of people took the trail to explore the colourful invasion of owls. The creativity of St Thomas' church and community was harnessed to create our owl who, after the official launch, went on display in Sheldon Country Park before being auctioned to raise money for Birmingham Children's hospital.

COFTON HACKETT and BARNT GREEN



Cofton Fields is a development of 750 new homes on the former Rover site. We deliver a Welcome Pack of local information when people move in, are involved with planning a new community hall and our incoming curate will live on the estate. Also, as there are lots of young families, we are recruiting a diocesan-funded Children's and Families' Missioner.

ST MICHAEL Boldmere



Families searched for shepherds in shop windows along Boldmere Road. Children collected stickers of all the shepherds and then came along to church on Christmas Eve to collect the Nativity scene sticker. This was part of the reason why the Crib Service congregation doubled. A great example of collaborative work between the congregation, Children's and Families' Missioner and Associate Missioner.

ST JOHN the BAPTIST Harborne



Bake and Pray Our parish includes the shops on Harborne High Street. In 2003 we showed we cared by baking a cake and praying for each one at Christmas. 13 years on, over 2000 cakes have been delivered by children, youth, families, older people, individuals and groups. Friendships have developed, God's love has been shown by a gift.

ST MARY the VIRGIN Pye Hayes



The Church Hall roof was replaced: an answer to prayer, securing our worship and community space. In the diocese, a new "Doors" format for our 8 Church-life Leadership teams: an exciting opening to develop every church member. Internationally, a Vision trip to South Africa and Mozambique: a life-changing experience, building relationships with mission partners for ongoing ministry and practical support.

ALL SAINTS Kings Heath



Knit Together in Community A Messy Nativity knitted sheep trail around local shops in 2014 led to community involvement in a 17ft knitted Christmas Tree in 2015. This inter-generational project celebrated the power in giving time and doing things together. An "impossible" vision captivated many, resulting in abundant knitted squares and baubles, energy and generosity. And Christmas joy!

CHRIST CHURCH Sparkbrook



It has been exciting seeing how various hospitality ventures throughout the week have engaged the disparate faiths of Sparkbrook as well as some of the most isolated in the community. Whether it is the Monday's Creative English, Tuesday's Place of Welcome, Thursday's Ladies Day, we are thrilled to see friendships being built and Christian prayer being sought.

ST MARY Wythall



2015 was the second year in our new church at The Coppice School, and saw our very first marriage service as Simon Morbey and Poppy Bridgens ended a 29 year wait for a Wythall wedding. We also welcomed our first curate in at least a generation, Michelle Parton, after her ordination in July.

FELLOWSHIP of CONTEMPLATIVE PRAYER

Two groups affiliated to the worldwide Fellowship of Contemplative Prayer meet in the diocese, in Solihull and Dorridge. Together and individually we engage in the prayer of stillness and silence. The Solihull group has been meeting for over ten years. The Dorridge group is the Fellowship's longest-standing group, active for over half a century.



“Birmingham Cathedral is a house of prayer, an icon of God’s loving presence, in the heart of our vibrant and diverse city.”

BIRMINGHAM CATHEDRAL

In 2015 we celebrated 300 years of ‘the church that became a cathedral in the town that became a city’. The regular rhythm of prayer, worship and celebrating the English Choral tradition, has over the past 12 months been punctuated by inspiring and missional moments celebrating the tercentenary of St Philips.

In January, our Tercentenary year started with the lighting of the Cathedral Tower for the first time in many years, a physical manifestation of the beacon of Mother Church. Shortly after we celebrated a profoundly moving 24 hours of Ecumenical prayer, welcoming our brothers and sisters in faith to join us and pray in their own tradition inside the Cathedral. The spirit of hospitality continued as Bishop David invited all the deaneries of the diocese to join him on a series of 12 pilgrimages to the Cathedral. 2015 ended with the installation of 2,000 ‘Soul Boats’ suspended from the nave of the Cathedral, each one representing the life and journey of a person within the diocese, of all different faiths and none.

Throughout the year we have created exceptional moments to not only welcome the community into the Cathedral, but to reach out to local communities and take the spirit and work of the Cathedral to them. We have explored new ways of using Arts and Heritage to create opportunities to engage creatively with the whole community of which the Cathedral is a part.

In 2015, the Cathedral welcomed in excess of 100,000 visitors, and celebrated 1,196 regular acts of worship in addition to one-off or exceptional services. We also carried out a significant project of internal restoration which saw the replacement of an out-dated lighting system, new wiring, redecoration, memorial conservation and new joinery repairs.

Throughout a busy and exciting year, we have been sustained in our ministry by the fantastic efforts of our volunteers, our close working relationship with Diocesan colleagues, and the cementing of our ongoing relationships within the local community.



Our Tercentenary Year

Birmingham Cathedral has been celebrating its 300th year with a wonderful series of special services, events, pilgrimages, heritage education and mass participation arts events throughout 2015.

New Year's Eve Light Switch On

We began our 300th year by 'lighting up' the tower with new flood-lights.

24 Hours of Prayer

A great wave of prayer for our city, region and world, united in a common faith in Jesus Christ.

Archbishop of Canterbury Visit

Archbishop Justin's inspiring four day visit to Birmingham diocese was packed with 18 public events.

Solar Eclipse viewing

By happy co-incidence the heavens laid on a spectacular solar eclipse for our tercentenary year.

Festival of Voices

We enjoyed the first two parts of the Festival of Voices trilogy; evenings of music and drama.

Internal Restoration

Major Internal Restoration; Daily worship continued throughout the work, sometimes in the porch!

Heritage

HLF funded Heritage Manager and new guide book and film funded by History West Midlands.

Spring Fayre

The Community Committee held their first ever Spring Fayre outside in the Square raising £900.

Record Bell Ringing

A Guinness World Record for the longest peal in the method; the 7 hour peal of Avon Delight Maximus.

Chelsea Flower Show

Birmingham City Council's entry into RHS Chelsea Flower Show 2015, awarded Gold and Best in Pavilion.

Craft Space

Arts graduates took our tercentenary theme as inspiration for their outdoor arts in Cathedral Square.

Deanery Pilgrimages

All 13 Deaneries within the Diocese have, or will be, coming to the cathedral on a pilgrimage with +David.

Photography competition and exhibition

'Faith in Focus' photography competition; photographers encouraged to engage with the subject of faith.

Flower Arrangers

Worked around scaffolding to create beautiful additions to our building and worship.

Cathedral Choir

A hugely successful Choir Tour to Leipzig in October.

Something Good

10,000 people took part in 'Something Good' arts event; new composition, live painting, and creative writing.

Soul Boats

Soul boats high above the nave; made by individuals to reflect their personal journeys.



“The Education Team provides strategic support, advice and guidance for all church and church affiliated schools.”

Photo by Richard Shephard

CHURCH SCHOOLS

The Church of England - Birmingham has a wide range of church schools in five local authorities (Birmingham, Solihull, Sandwell, Warwickshire and Worcestershire). There are 42 Primary schools, three Infant schools, three Junior schools, one first school and two secondary schools along with two affiliated secondary schools.

There are a variety of structures for the church schools including voluntary controlled, voluntary aided and academies. The schools themselves are based in a variety of areas that reflect the nature of the diocese – urban, outer-estate, sub-urban and rural, catering for pupils of all faiths and none.

The Education Team provides strategic support, advice and guidance for all church and church affiliated schools across the diocese. Concerns and recommendations about schools and education matters are fed back to the Diocesan Board of Education.

Other aspects of the work of the Education Team includes:

- Ensuring that the voice and influence of the Church of England is at the heart of educational debate and strategy formation, locally and nationally. The Team works to ensure that all church and church affiliated schools live out their Christian calling with integrity and contribute fully to the wider mission of the Church of England in Birmingham.
- Working closely with clergy (particularly those with church schools in their parish) to ensure schools are part of the mission agenda of the Church.
- Supporting and advising on the recruitment and training of governors and senior leadership roles within schools.
- Working with schools ensuring their admissions policies are compliant and organising and running the admissions appeals service.
- Providing advice on religious education for all our church schools and guidance and training on Collective Worship.
- Advice, guidance and support for schools in how to access all diocesan education services and meet their requirements as a church school or sponsored academy.

Highlights from the Year

Out of 51 church schools, 93% are currently designated good or outstanding by Ofsted, and 98% good or outstanding through the Church school inspection (SIAMS). The Church of England Birmingham recognises its responsibility to deliver good education to any who should choose to attend a church school.

We now have two full-time administrative officers enabling us to increase our training opportunities. This included a more extensive NQT and new head teacher programme, training for governors at our annual governors conference and bespoke support for individual boards, workshops and courses for schools about church school distinctiveness.

We celebrated in the summer with our leavers services. They were held at St Martin-in-the-Bull-Ring. These services are a special opportunity to reflect on the past and look forward to the future, reminding us that our ultimate purpose is about showing, to all that are involved in our schools, that Jesus came to give life in all its fullness through the educational and wider opportunities our schools offer.

A small sub group of headteachers and advisors have led a focus on addressing the recruitment issues facing our schools, resulting in a number of initiatives, to attract teachers to consider teaching in a church school.

The Diocesan Board of Education has come to the end of its three year term office. The Church of England - Birmingham has gained approval from the secretary of state to reduce its size significantly. The new board has been elected and will be working with the director to develop the strategy going forward.

Find out more at:
www.cofebirmingham.com/schools





“High value is placed on developing the faith, skills and ministries of all people.”

LAY ADULT EDUCATION AND TRAINING

The Church of England – Birmingham places a high value on developing the faith, skills and ministries of all people. There are many opportunities for lay people to learn and train:

3D

The Diocesan Course for Developing Disciples continues to be a mainstay of the diocesan programme for lay development in the diocese, with an average of 150 participants taking part every year. For those who have completed 3D, the annual Growing Gifts programme of study days, exploring prayer days and practical skills workshops offers a range of learning and training opportunities.

Pastoral Care and Community Skills

This diocesan scheme seeks to equip teams of people in parishes to share in pastoral care and community outreach with their clergy. After initial training, team members are commissioned on behalf of the Bishop.

Learning for Discipleship

The partnership with the Methodist church has continued, with lay participants able to take a number of modules over the year on a range of subjects, at the level of the first year of an undergraduate degree.

Readers' Training

Readers are lay ministers licensed by the Bishop for a ministry of preaching, teaching and pastoral work in a variety of contexts around the diocese. The Readers' Association exists to support this ministry of women and men with a wide range of gifts in the service of the Gospel.



Those applying for Reader selection must have completed the 3D Course or an equivalent approved course. Our Initial Reader Training Secretary is the first point of contact for those wishing follow this up. Forms must be returned by the end of March each year for a Selection Day in June. Training begins the following October, and following successful assessment a year later licensing takes place in January. Training is designed to give access to people with a wide range of educational qualifications. It is practically-based around sermon preparation and group work.

Training continues for the newly licensed Readers in the 'NEXT' course and each year for all Readers the Continuing Ministerial Education committee provide training to support various aspects of Reader ministry.

The Association offers financial support to Readers making available grants and funding for all Readers wishing to develop their ministry.

Along with the Warden of Readers, responsibility for continuing support and pastoral care of Readers is shared with

a group of Deanery Assistant Wardens. To assist in the continuing development of Readers and their various ministries within the parishes we are developing our ministerial review process by recruiting a team of peer reviewers who will conduct the reviews on a rolling four year programme.

In 2015 there were over 200 Readers in active ministry in parishes right across the diocese and hospital, industrial, retail and educational chaplaincies.

18 new Readers completed their training in 2015, and were admitted and licensed in our Cathedral by Bishop David, with Bishop Anne preaching an inspiring sermon about the distinctive ministry of Readers in and beyond the church building. To read wonderful stories of what some of those 18 readers have to say about their call, present and future ministry visit: www.cofe.io/ff7.

Check out the Reader website for more information about Reader ministry in the Birmingham diocese.

www.birminghamreaders.org



Highlights from the year

- The Annual Away Day for commissioned lay pastoral ministers entitled 'Working with Vulnerability in Ourselves and in Others', with Ann Morisy as key note speaker in the morning and a range of workshops offered in the afternoon.
- Soul Spark, a short course exploring prayer and spiritual growth was held as part of the Growing Gifts programme over six evenings in the summer and was well received by the participants – so much so that we are offering this course again in 2016
- Poverty and Justice, a training day for Anglican Readers and Preachers from the Methodist and United Reformed Church. The Revd Susan Durber, Theology Advisor for Christian Aid, enabled participants to explore what Christians have to say that is distinctive about justice, rooted in the Bible and the traditions of Christian faith, that helps us to move beyond abstract definitions to an exciting and living hope at the heart of the Gospel.
- Dementia Matters, an ecumenical and regional event that drew over 160 people together to explore how individuals and churches can better understand, value and nurture those living with dementia. This day was planned in collaboration with members of the chaplaincy team at the Queen Elizabeth Hospital, Birmingham and the event took place in the Education Centre in the Hospital.

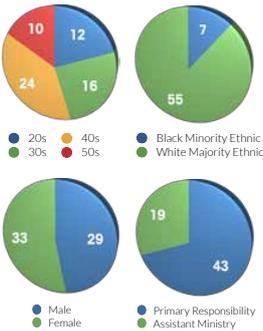




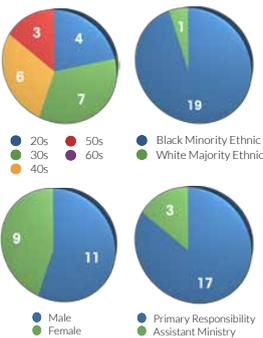
“We are looking for people who are able to inspire and encourage the gifts of all God’s people.”

EXPLORING ORDINATION

Exploring Vocation 2015



Ordinands in Training 2015



The Diocesan Director of Ordinands (DDO) oversees the discernment, selection and training of candidates for the Ordained Ministry. This is done with different emphases in each Diocese and along national guidelines, approved by the House of Bishops.

We are looking for people who are able to inspire and encourage the gifts of all God’s people and equip them in their lives as disciples of Jesus Christ. They need to be people who have imagination to make the Gospel attractive, appreciation of the riches of the Church and an ability to proclaim the Good News in fresh ways. They should have generous hearts to reach out to all in their care, of a faith or none and in whatever kind of need, rejoicing in the opportunity the Church of England has with a footprint in every community. They will require energy and stamina – and all this by the grace of God.

The DDO and Vocations Team have been working with the Transforming Church goal ‘to increase the number of leaders of all ages, and drawn from every ethnic group, who are trained and deployed in the church and wider community’. We are already growing younger ordained ministers in Birmingham. 4 out of 20 Ordinands in training are under 30 and over half are in their twenties and thirties.

Archbishop Justin has issued a challenge - to raise 50% more ordained ministers - and we are confident of being to meet this target in Church of England Birmingham. God is clearly at work and already there is an encouraging bubbling up of vocation. We simply need to pray for additional funding to pay for these new ministers.

If we are to raise 50% more Deacons and Priests it will be important that they are not just ‘more of the same’ and so work is continuing to encourage young women, minority ethnic Anglicans and people from our inner city and outer estate communities – all of whom are underrepresented in the ordained ministry.

Highlights from the Year

- The DDO and Young Vocations Champion, Lydia Gaston, are working with the Diocese of Coventry to plan events to encourage young women.
- The DDO and Minority Ethnic Vocations Champion, Joycelyn Lewis-Gregory, encouraged five people to attend a national vocations conference for BME enquirers, fully funded from the Empowering Disciples Fund.
- The DDO is working closely with the inner city and outer estate clergy groups to discover ways of encouraging and enabling women and men to come forward to serve God in these challenging communities.
- In July 9 people were ordained deacon and 9 were ordained priest at St Martin in the Bull Ring, while restoration work was taking place on the Cathedral. Bishop David ordained our first Distinctive Deacon for many years, Jessica Foster, who is based at St Peter Hall Green while still working with Near Neighbours.
- 30 people attended the Signposts Vocations Course in Lent where we heard stories from a wide range of women and men in ministry – encouragement for a new generation of deacons and priests.
- The Church is keen that candidates have a broad understanding of the Church of England and this can be a challenge if we also want young people! In July a group of young enquirers visited Mucknell Abbey in Worcestershire and spent a day alongside the Benedictine monks and nuns.
- We value partnership with parish clergy and chaplains who are the gatekeepers of vocations. The Ordinal reminds us that it is the duty of every priest to ‘discern and foster the gifts of the people of God’.





“Every year clergy in the diocese carry out an astonishing 1,000 weddings, 4,000 funerals and 2,500 baptisms/christenings.”

CLERGY

Clergy form a central part in the life of churches in the Birmingham diocese. As well as leading worship and teaching, they offer pastoral care to families and individuals, deepen the discipleship of congregations, and fulfil important roles in local communities. Clergy carry out an astonishing 1,000 weddings, 4,000 funerals and 2,500 baptisms/christenings every year. Training and supporting clergy in this key role is a priority of the BDBF; clergy stipends represent by far its largest financial commitment. As an integral part of their ministry, all clergy participate in a process of Continual Ministerial Development (CMD) and Review. Led by Canon Mark Pryce, CMD is most intensive during the early years of Curacy, and continues to retirement. A programme of study, alongside prayer and reading Scripture, is at the heart of ministerial life. In 2015 some of the highlights supporting clergy in their ministerial development were:

- Addresses on prayer and renewal of spiritual life, with anointing by Archbishop Justin.
- Bishop’s Study days on the ethics of Human Rights with Shami Chakrabarti and Luke’s Gospel with Prof Frances Young.
- A Retreat for Curates reflecting on The Psalms with Canon Priscilla White.
- Training in finance and stewardship for clergy with Melanie Crooks and Amanda Homer.
- Reflection day for SSM clergy on the theology of work with Peter Sellick.
- Monthly development consultations for Curates, including missional leadership with James Lawrence, working with volunteers with Penny Harrison, baptisms with Paul Hinton, funerals with Canon Janet Chapman, suburban ministry with Duncan Hill-Brown.



Pastoral Care of Clergy

Revd Susannah Izzard is the current Adviser for Pastoral Care of the Clergy and their Families, and has been in post since January 2007. Wellbeing can be understood as flourishing at the cliff edge – we all walk perilously close to cliff edges in our lives as we manage crises, stress, overwork and the expectations of others, and clergy are no different. Susannah’s role therefore has two key aspects – support, training and institutional work (maintaining sure footing and keeping the fence at the top of the cliff in good repair) and assistance when things are difficult (helping the clergyperson climb back up the cliff).

Flourishing at the cliff edge is supported by groups, workshops, work-life balance reviews and quiet days; and returning to flourishing can be facilitated by a referral to the Diocesan Clergy Counselling Service.

The Diocesan Clergy Counselling Service is accessible to clergy, their partners and children over 16 who live at home. It is a totally confidential service provided by nine accredited counsellors and psychotherapists who have particular gifts in working with spiritual issues. There is also a life coach to whom referrals may be made. Clients self-refer via the Adviser for Pastoral Care of the Clergy, who meets with each potential client to explore the presenting issues and think about what kind of counselling or coaching support may be of most help. Feedback forms from those who make use of the service are consistently positive, and the service continues to be well-used and valued.



Clergy Housing

The Finance, Investment and Property Sub-Committee (FIPS), with its members consisting of both clergy and lay officers with property interest and experience, oversee the building, purchase, maintenance and improvement of houses provided for clergy.

The Church of England wishes to continue to support a ministry living in its local community. For many, the parsonage house represents the domestic heart of the parish, serving not only as a home, but also as a base for ministry.

The aim is to provide a house where repair, maintenance and day-to-day running costs and initial costs of moving are reasonably low, but in which the priest and family are able to live and work in safety and comfort. FIPS attempts to meet all aspirations within a controlled budget.

In 2015 the sub-committee:

- Sold ten Board houses, including some wholly or partially owned by the Church Commissioners.
- Sold one redundant Parsonage.
- Purchased one house in Solihull in order to release the old Rectory/land for potential development.
- Progressed on the sale of parts of gardens at two parsonages for four development plots.
- Let vacant Parsonages and Board houses where possible, achieving a gross rental income of around £200,000.
- Oversaw work at clergy houses, including 33 quinquennial repair/redecoration contracts, 12 vacancy works, five improvements and 28 quinquennial inspections.



“Advice and support is available to parishes at all stages of any buildings and contents project.”

CHURCH BUILDINGS

Diocesan Advisory Committee for the Care of Churches (DAC)

The DAC gives formal advice to the Diocesan Chancellor and Archdeacons on the use, development, good stewardship and maintenance of church buildings; the living liturgy and worship of the CofE; church architecture, archaeology, art and history; and the care of historic fabric and furnishings.

The DAC is always available to assist clergy and churchwardens in the management of churches as places of worship, mission and the provision of pastoral care, from initial thoughts on possible projects, to making applications for required consents, to final matters of post-completion.

This forms a vital part of the Faculty permission system used for the care of churches and churchyards. For the CofE to retain as much freedom over the development and growth of its listed buildings as possible, the essential requirement of this process is equivalence with secular consents in terms of due process, rigour, consultation, openness, transparency and accountability, while paying due attention to the mission and worship of parishes and congregations.

The DAC membership is constituted of experienced specialists, appointed by the Bishop's Council, who provide a senior consultant level of advice on a voluntary basis. It also includes the Archdeacons, two members of the Diocesan Synod and nominees from Historic England, the National Amenity Societies and the Local Government Association, giving each parish access to a very wide range of experience and input.



Birmingham Diocesan Trustees Registered (BDTR)

The Birmingham Diocesan Trustees Registered (BDTR) holds land and property on behalf of PCCs, along with charitable trusts and endowments where the original capital cannot be spent. It also holds some CofE schools on behalf of the governing bodies, to ensure that the sites continue in use for the provision of education.

The BDTR keeps property and funds in trust for PCCs because the law does not allow them to do so in their own right. However, the BDTR acts as a custodian trustee, only. The PCC still runs and develops its property and deploys funds and endowments

to support its community outreach and mission objectives, but with the agreement of the BDTR when formal contracts and legal agreements are needed.

The BDTR is constituted by both clergy and laity with expertise in the law and procedures relating to charities and the CofE, with 6 members elected by the Diocesan Synod and 5 appointed by the Bishop. All members offer their expertise to PCCs on a free and voluntary basis and are a very helpful source of guidance to parishes seeking to buy or sell land and property and in managing their charitable funds.

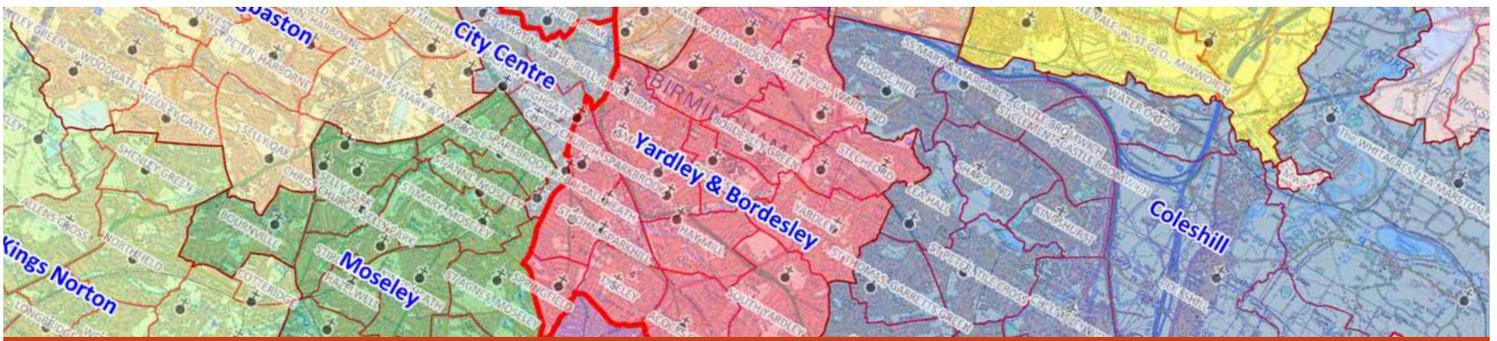
Highlights from the Year

The DAC:

- was engaged with 119 separate cases from parishes that covered everything from converting a flower room into a toilet to the complete renovation, redevelopment and extension of a church building. The Chancellor granted 60 applications for works at churches to go ahead;
- was privileged to be involved in the hugely significant, £2.3million+ reordering of an historic gas manufactory, a registered place of worship, in central Birmingham into the St Luke's Gas Street Resourcing Church as part of the Growing Younger initiative;
- was very glad to see the major reordering proposals for the large, medieval, Grade I listed St Peter and St Paul, Coleshill concluded and wished the PCC well in its fundraising. The large-scale redevelopment of St Stephen, Selly Park was also completed, while the initiative to bring Christ Church, Summerfield back into regular use moved closer towards approval and the huge St Mary's Churchyard Heritage and Access Project made substantial forward progress;
- was pleased to see the introduction of the simplified Faculty application process. This included the launching of the Online Faculty System, incorporating the national Church Heritage Record and the new Diocesan Archaeological Assessment, and it hoped that this new system and associated resources would make seeking Faculty a much more straightforward experience for PCCs.

The BDTR:

- was engaged in 24 separate cases from parishes, which covered everything from supporting the activities of Scout Groups on church grounds to redeveloping an old school site with the local authority;
- was glad to assist St Mary, Tanworth-in-Arden through the long and involved process of receiving a working farm through a bequest, assessing it for development potential and then selling the property for best value, to secure a wealth of funds for investment in the parish's future mission and outreach;
- was pleased to see the development of a number of school sites and their conversion into academy and multi-academy trusts, to greater support and enhance educational provision;
- was involved in supporting a number of PCCs in purchasing houses for curates to work and learn in the area, as the training parishes now manage the accommodation of the trainee clergy.



TRANSFORMING COMMUNITIES

Work continues with our joint centre with the Church Urban Fund—Thrive Together Birmingham (Thrive)—which is an independent charity. The team consists of Fred Rattley, Jo Bagby, Sarah Turner, Debbie Browning and Jessica Foster.

Our aim is to support and develop the growing movement of Christians involved in activities in their local neighbourhoods and across the diocese who are challenging the impact of poverty and disadvantage on individuals and wider communities.

We are seeing members of many churches responding voluntarily to the needs around them and coming into relationship with people who are suffering the effects of poverty and deprivation. As a result they are being challenged and changed by these encounters. We are discovering a real enthusiasm for this approach which enables us to innovate and discover more projects through which the specific needs of people suffering disadvantage might be met. The consequence is that Christians are being seen to be making a difference in the region often in collaboration with people of other faiths and none.

Below is a photo of some of the older people we work with who were invited for lunch with the Prime Minister at 10 Downing street just before Christmas. This is through our involvement with Ageing Better a lottery funded program.

Photo by Birmingham Post and Mail



Highlights from the Year

Change of office base

In April the Community Regeneration and Thrive Together team relocated from the Faithful Neighbourhoods Centre to our new home at Balsall Heath Church Centre in Mary Street, Balsall Heath.

Places of Welcome

50 Places of Welcome are now open, many of them hosted by churches, and they are beginning to open beyond Birmingham (see www.placesofwelcome.org) with interest coming from all over the country

Winter Night Shelters

This project continues to expand with seven churches giving hospitality and overnight accommodation to 12 homeless men for seven nights each week over 12 weeks in January-March. Seven more churches bringing many more volunteers are coming on board for 2016.

'Body, Mind and Spirit Partnership'

Building on their creative work over the last three years developing and delivering activities with older people, this collaboration between 13 churches and Christian projects has been invited to tender for Birmingham City Council funding to continue their work for a further 3 years.

Safe Families for Children

The new team at Safe Families for Children have been recruiting volunteers through churches to support families experiencing difficulties who can

- Offer a safe and friendly temporary home for children
- Befriend and support struggling parents
- Access useful goods and services

The team are endeavouring to secure funding to sustain this important approach to reducing the pressure on local authority social care teams.



“Christians are being seen to be making a difference in the region often in collaboration with people of other faiths and none.”



Near Neighbours

In February the Archbishop of Canterbury spoke at our first Faith and Poverty Conference which brought 180 people from different faiths together to explore how poverty affects the city and how these issues might be addressed. This led to a number of follow up neighbourhood conversations. Meanwhile the small grants programme brought more people together in joint activities across faith or cultural barriers.

Sandwell Churches Link

The new trustees of Sandwell Churches Link came together across the diocesan boundaries of Birmingham and Lichfield to form an organisation that can engage churches in activities to tackle issues of poverty in Sandwell. Sufficient funding has been secured to employ a Director to lead the project for the next two years.



Interfaith

The Birmingham diocese is very diverse with people of all the world's faiths living here. We are committed to helping churches discover how God wants them to live out The Gospel in our society. With a church as diverse as the Church of England, there will be many answers to this question and we want to encourage churches to find answers that make sense of them, draw them closer to God's calling and make sense to the people they meet.

The role of Director of Interfaith Relations is full of encounters with people from churches across the diocese and with people of different faiths. This involves work with Christians seeking to discover God's call for how they live out their faith and also to encourage others of different faiths to meet with Christians to build understanding, grow friendships and find ways to work together for the good of their communities.

This work is done, primarily, by tailoring responses to the specific needs of congregations, recognising that each situation brings its own joys, opportunities and challenges. Courses are often run, usually at the Faithful Neighbourhoods Centre in Sparkhill and often in partnership with others such as colleagues in the diocese or outside organisations with specific expertise such as The Feast, the Christian-Muslim Forum or Interserve.

2015 started with the conclusion of the Birmingham Conversation programme that had started in 2014. When Archbishop Justin Welby visited Birmingham in March he participated in the conversations and gave us much food for thoughts on the topic of reconciliation. The process concluded in July with a public symposium and the production of three reports which have been well received in Birmingham and further afield.

During 2015 it was a privilege to work with the Cathedral on their 'Something Good' arts project to mark their Tercentenary. Encouraging participation from artists and communities of all faiths was a significant part of the project and led to fascinating conversations and collaborations between people of a wide variety of faith and cultural backgrounds. In the autumn the work of the Birmingham Conversations and 'Something Good' came together with the running of a second, smaller conversation on Faith and Art and how Art can create space for new conversations between people of different faiths. This brought together professional artists and people from different faith communities and has started to build a network of people interested in exploring further the topic of faith and art.

In 2016 the Birmingham Museum and Art Gallery is opening a new Interfaith Gallery. During 2015 Andrew Smith, the Director of Interfaith Relations, has been part of a working group advising the Museum on how the gallery should be developed and what artefacts could be included and how they might be displayed.

The support for churches in multi-faith parishes (identified as 'Presence and Engagement' Parishes by the national Church of England) continues and in 2015 a small team of clergy and lay people was set up to support of the Director of Education and to build extra capacity in this area.

Finally Andrew has been able to support a number of local interfaith projects, most notably in Sutton Coldfield and Washwood Heath, whilst colleagues such as Jessica Foster have supported groups in other areas including Hall Green and Billsley.



“We celebrate our faith together and show mutual support in the face of our varying challenges.”

MALAWI PARTNERSHIP



The Malawi Birmingham Partnership has united Anglican Christians in Birmingham and Malawi in love and mutual support for almost 50 years.

Since the establishment of the partnership in 1966, the Anglican Church in Malawi and in Birmingham has developed a mission relationship, seeking to support each other in the work of God in our own contexts. The Partnership has grown and widened over four decades and through the breadth of activity, is owned by people in all five dioceses. We celebrate our faith together and show mutual support in the face of our varying challenges.

2015 was a difficult year for Malawi, which is heavily dependent on rain-fed agriculture to feed itself. The year began with widespread flooding which ruined many growing crops. The replanted crops did not do well owing to unreliable rainfall, and the result was a poor harvest. Food security is so delicate that by late in the year there were localised famines.

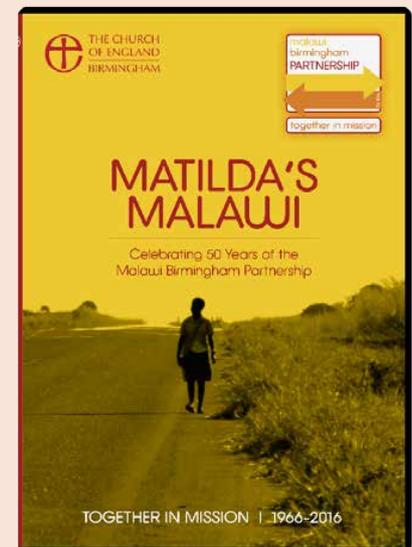
A diocesan flood relief appeal raised £3,392 which went to the worst hit diocese, Southern Malawi. It was decided not to launch a diocesan famine appeal, but appeals in Birmingham parishes for link parishes and specific needs raised £5,832 in all.

The diocese supports Malawi financially. In 2015, parishes gave £33,252 to support the four dioceses and the Anglican Council in Malawi, plus £4,052 in project funding.

Visits continue in each direction. In 2015 the Malawi Partnership Officer and two other members of the Task Group visited there. We had a visit from Fr Eston Pembamoyo - who amongst other things is our container consignee - and his wife Joyce. A younger clergyman on the Anglican Communion's Canterbury Course also visited. We look forward to the visit of all four bishops in May 2016 to celebrate the Partnership's 50th anniversary.

Highlights from the Year

- **Matilda's Malawi.** This 25-minute film built around a day in the life of a 15-year-old schoolgirl had preview showings in spring 2015. In the autumn, copies with subtitles were sent to all parishes and church schools. Supporting video and written resources have been produced and may be found on the website.
- **Teacher Skills Share.** The 5th Skills Share group went out in August 2015, once again giving interactive in-service training to two 35-strong groups of Malawian primary teachers. Lucy Ward and Mike Down, who both teach in Birmingham schools, are the 'new team' co-leading the group. They have both joined the Task Group and attend as their teaching duties allow.
- **Launch of 50th Anniversary Appeal.** In 2016 we celebrate 50 years of partnership between the Anglican Church in Malawi and in Birmingham. To mark this we have launched an appeal with the agreement of the Malawian bishops. With the strapline 'Supporting Education across Malawi' this aims to raise £40,000 towards four vital projects, building a girls' hostel and classroom blocks in each of the four dioceses.





CHAPLAINCY

Churches and Industry Group Birmingham and Solihull www.cigb.org.uk

Workplace Chaplains are still a surprise! Churches and Industry Group Birmingham and Solihull (www.cigb.org.uk) is a ecumenical network of now over 60 Workplace Chaplains, ministering in over 20 different areas/teams. Chaplains model a sense of love, create greater community and mark the presence of faith in Workplaces. Chaplains in workplaces often meet with curiosity: their presence challenges staff to think about the bigger issues in life. If asked to, they help people to see where God is already present in their lives.

Despite our type of chaplaincy being a slightly powerless, 'guest' model of ministry, it is growing nationally as a trend, and many of the apparently stronger 'institutional' chaplaincies are looking to workplace chaplaincy to help them plot their own futures. Professor Linda Woodhead's research into non-churchgoers contact with religious representatives, shows that outside of the parish church, people are as likely to meet/know a chaplain, as a Church of England parish priest in the community. Theos have produced a study of chaplaincy entitled 'A Very Modern Ministry'.

CIGB is an ecumenical team of (mainly) volunteers, sponsored by the Church Leaders of Birmingham Churches Together. About 50% of the chaplains are Church of England members and about 50% of our funding comes from Birmingham Diocese. We work closely together with other work-chaplaincy teams in the Birmingham area – particularly on issues of challenging business ethics or wider economic policy (eg. the new West Midlands Combined Authority). A full report of our work can be found at www.cigb.org.uk/about-us/reports.

Our twice-yearly Introduction to Workplace Chaplaincy training course receives good reviews. We continue to train new volunteers for workplace chaplaincy and to grow the team.

Highlights from the Year

- New chaplaincy teams started at Jericho Foundation (a Christian social enterprise), and amongst the shops at the new Longbridge Town Centre. In both cases we are working with local church organisations to expand their ministry in fresh ways.
- Businesses are recognising the growing importance of faith support at work. Birmingham Airport wanted to develop their faith provision for travellers and staff, and working with Revd Duncan Ballard and the chaplaincy team, they have opened up an additional Multi Faith Prayer Room 'airside'. Given the competition for floorspace with retailers, this demonstrates the value they give to faith expression at the airport. A new Prayer Room, supported by our chaplains, has been opened up at the new Grand Central shopping area.
- Chaplains are increasingly sought out for personal support in enterprises going through change – particularly in public sector organisations, and amongst retailers. Chaplaincy at Birmingham City Council received a council 'Chamberlain Award' for its work in supporting staff. Our summer training developed on our chaplains' listening and empathy skills.
- The Archbishop of Canterbury visited Jaguar Land Rover Solihull, alongside the chaplain there, recognising the role that employment and work has in human flourishing and faithfulness.



SAFEGUARDING

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

The Church of England - Birmingham is committed to keeping children and adults, who may be vulnerable, safe from harm. We are committed to the safeguarding principles adopted by the House of Bishops:

Principles

Our safeguarding policies are available online. We are committed to:

- The care, nurture of, and respectful pastoral ministry with, all children and all adults.
- The safeguarding and protection of all children, young people and adults when they are vulnerable.
- The establishing of safe, caring communities which provide a loving environment where there is a culture of 'informed vigilance' as to the dangers of abuse.
- The careful selection and training of all those with any responsibility within the Church, in line with current safer recruitment principles and legislation.
- Responding without delay to every complaint made which suggests that an adult, child or young person may have been harmed, co-operating with the police and local authority in any investigation.
- Seeking to work with anyone who has suffered abuse, developing with him or her an appropriate ministry of informed pastoral care.
- Seeking to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or adult when they are vulnerable.

Highlights from the Year

A programme of training continued throughout the year and an annual day was introduced to resource Parish Safeguarding Leads. Safer Recruitment procedures for Birmingham were launched in the spring with a briefing session to support and inform clergy. Birmingham responded to new Practice Guidance for the Church of England on Serious Safeguarding Situations, Risk assessment, Record Keeping, Religious Communities and Local Ecumenical Partnership with a review of its own policies, practices and resources to help and support parishes.

BIRMINGHAM DIOCESAN BOARD OF FINANCE

Supporting the Mission

The Church of England in Birmingham through the BDBF aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Birmingham diocese and elsewhere. This includes the provision of facilities for public worship, pastoral care and spiritual, moral and intellectual development, together with the promotion of Christian values and services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

In this, the BDBF acts as the financial executive for the Diocesan Synod in the administration of the Church of England in Birmingham's interests.

The BDBF helps to facilitate the pursuit of our "Ten Diocesan Goals" by its ongoing objective to maintain a sound financial structure that resources the needs determined by Diocesan Synod and informed by local and national church institutions. This financial structure includes supporting clergy through the payment of stipends, managing parsonages and other ministerial houses and also by providing other facilities and resources in the support of the ministry of both clergy and lay people in parishes across the diocese.

Constitution

The BDBF is established under the Diocesan Boards of Finance Measure 1925. It is a company limited by guarantee and subject to its own Memorandum and Articles of Association. The BDBF is also a registered charity.

The BDBF is constituted as the financial executive of the Diocesan Synod, each member of which is also a member of the BDBF. Trustees are appointed by the members on a triennial basis. The BDBF acts as the Parsonages Board and the Diocesan Mission and Pastoral Committee for the purposes of ecclesiastical legislation.

The BDBF which meets four times each year, is the principal policy making body. It takes advice from its Board of trustee directors, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council also takes executive action in certain matters and deals with day to day issues. The membership of

the Bishop's Council is contained on page 2 of this report.

Delegation of day-to-day delivery. The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and his colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the BDBF in accordance with the policies framed by the Trustees. The Diocesan Secretary and his key staff are:

Mr Andrew Halstead – Diocesan Secretary
Ms Melanie Crooks – Director of Finance
Revd Jackie Hughes – Director of Education (until 26 February 2015)
Mrs Sarah Smith – Director of Education (from 26 February 2015)
Mr Alan Broadway – Diocesan Surveyor (to 8 April 2016)
Dr Jan Smart – Director of HR (from 2 February 2015)

Recruitment and Training of Trustees

Trustees are recruited through a mixture of ex-officio positions, elections and nominations. Elections take place every three years at the first meeting of the new Diocesan Synod (itself elected every three years). The trustees have the power to co-opt members according to their assessment of the needs of the BDBF in terms of required skills and experience.

Induction for new trustees consists of a one day course designed to ensure that all trustees are familiar with the BDBF's governing document and its aims and objectives. They are also given relevant literature which explains the role and obligations associated with their role as a director and trustee of the BDBF. Trustees then receive ongoing training as appropriate. This training is tailored to the individual needs of the trustees and may include introductions to church, company and charity law, an overview of current programmes and plans of the diocese and an introduction to any special areas with which they will be working such as the Board of Education. Trustees are encouraged to visit diocesan operations.

All trustees are required to maintain their entry in the register of declarations of interests.

Some senior staff have job titles incorporating the title "Director" but they are not directors of the company (for the purposes of company law) and therefore are not "charity trustees".

Management Structure

The BDBF is assisted in its work during the year by a number of committees:

Board of Education – the Diocesan Board of Education is a statutory body whose financial responsibilities are reported as part of the BDBF. The Board is also responsible for the Diocesan Church Schools' Fund (restricted fund).

Finance, Investment and Property Sub-Committee (FIPS) – acts in all finance matters, including audit, remuneration of BDBF staff, the management of BDBF investment property and fiscal investments and parsonage maintenance issues and makes recommendations to Bishop's Council.

Transforming Church Fund Committee – has oversight of the Growing Younger initiative and other mission opportunities. It also reviews proposals from parishes and allocates monies from the Transforming Church Fund to parish projects in line with the Transforming Church Goals.

Other organisations with which the BDBF co-operates in achieving its objectives

Within the ministry of the Church of England in the Diocese of Birmingham, the BDBF plays an important role in co-operation with other persons and charities which form part of the Church. While the Bishop of Birmingham and his clergy have the cure of souls within the Diocese, the responsibility for the funding of clergy stipend costs, providing clergy housing, training clergy and other diocesan costs falls to the BDBF. Some of these clergy are trustees of the BDBF and they are listed on page 2.

The BDBF has important relationships with the national institutions of the Church of England, specifically:



“...the number of active volunteers given to the mission and ministry of the church is a key indicator of the health of a church.”

The Archbishops' Council to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.

The Church Commissioners from which the BDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The BDBF pays clergy stipends through the Church Commissioners.

The Church of England Pensions Board which provides pensions for clergy and the BDBF's lay staff. It also offers schemes to provide housing for clergy in retirement.

At local level key relationships include:

Parochial Church Councils (PCCs) which are the main income source for the BDBF through the Common Fund system. PCC's are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. They are able to influence decision making within the BDBF and at Diocesan Synod level through representation to those bodies and through the input of their Deanery Synods.

Church Urban Fund (CUF) Joint Venture which the Bishop of Birmingham, the BDBF and CUF are the founding members of a subsidiary of CUF "Thrive Together Birmingham". This is a company limited by guarantee with charitable status. The BDBF Director of Community Regeneration, an employee of BDBF has oversight of the work of development workers who are employed by Thrive Together Birmingham.

The Diocese of Birmingham Educational Trust which is a charity set up in response to the challenge of a large number of Church of England Schools converting or otherwise becoming Church of England Academies under the Academies Act 2010. The charity operates as a sponsor or co-sponsor of Church of England Academies in the diocese as required and supports Academy Trusts to both fulfil their responsibilities and provide a challenge to governors in this regard.

Birmingham Cathedral with whom there is now an established pattern of close collaborative working, including the sharing of offices and associated resources.

St Martin's Trust and other local trusts which generously provide financial support to the

diocese's most economically deprived parishes.

Other Christian Denominations with and through whom the BDBF works on matters of workplace chaplaincy and ecumenical relations notably through Churches & Industry Group Birmingham, Churches Together Birmingham and Local Ecumenical Partnerships.

Interfaith bodies, such as The Faithful Neighbourhood Centre and The Feast, as part of our cross community work to promote good interfaith relations.

BIRDPOF Properties Limited which is a subsidiary property management company of the BDBF. Any resulting profits from such activities are gift aided to the BDBF in furtherance of its charitable objectives.

Birmingham Diocesan Trustees Registered (BDTR) which is the custodian trustee for properties and permanent endowments on behalf of parishes and schools. BDTR is a separately registered charity.

Volunteers

The Church of England in Birmingham is dependent on the huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly at times of crisis.

Within this, the BDBF greatly values the considerable time given by all the committee members across the diocese in pursuit of the mission of the Church of England - Birmingham.

Public Benefit

The Church of England in Birmingham through the BDBF reviews its work each year and considers outcomes and plans for the future. It takes account of the Charity Commission general guidance on public benefit when reviewing its purpose and in considering how planned activities will meet that aim.

How our activities deliver public benefit

Our main activities aim to deliver public benefit in the following ways:

- *Clergy* - providing parish and other clergy in order to offer Christian services and spiritual oversight.
- *Parochial Church Councils* - assisting PCCs to provide churches, sacred spaces and worship services.
- *Parish Mission* - assisting parishes particularly through the Transforming Church strategy and the Growing Younger initiative.
- *Education* - contributing to the spiritual and moral education of children and young people in over 50 church schools.
- *Social action* - contributing to and assisting in social action in parishes and elsewhere, such as food banks and night shelters.
- *Training* - providing training and assistance in order that parishes have clergy and volunteers who are competent, for example, to assist clergy in providing Christian services, visit the sick, and comfort the bereaved.
- *Grants* - making grants to enable the national church institutions to function and have a positive wider influence.
- *World Mission* - in part through links with the Anglican Dioceses in Malawi.

Who benefits from our services?

We aim to make our services open to as wide a section of the public as possible. For example:

- Everywhere in the diocese is part of a Church of England parish that has a member of clergy who has concern for the spiritual welfare of the individuals who reside in it.
- Parishes in wealthier areas generally contribute somewhat more than the cost of their clergy in order that clergy can also be provided in less wealthy areas.
- Training courses are offered at reduced or no cost where appropriate in order that ability to pay is not a bar.

GOVERNANCE AND PERFORMANCE

For year ended 31 December 2015

Financial Review

With a 2015 headline income figure of £11,809,000 showing a rise of £927,000 year on year from 2014, it would be very easy to be complacent about BDBF finances. We need to dig deeper to understand how the basis of the BDBF finances has changed during 2015. The prior year income (2014) included a number of "one off" items totalling £510,000 - being the recognition of the Bishop Brown (ordinand maintenance costs) and Woodhams (stipend support) legacies and a donation from the sale of an ex parish mission hall.

2015 has been characterised by a subtle shift in funding sources to those that are more purpose restricted in their usage. These include £1,154,000 of grants and donations towards realising our vision of a city centre resourcing church at St Luke's, Gas Street and £381,000 towards our mission initiatives of "Growing Younger" and "soul[food]". We are immensely grateful to the Church Commissioners, The Gloucester Diocesan Board of Finance and the many grant making trusts and individual donors who are sharing our mission vision. As detailed elsewhere in the annual report, work commenced in 2015 on these activities, but at a slower pace than initially envisaged.

However, our single largest source of income representing nearly half of our total income to fund our core parish ministry continues to be parochial contributions or "Common Fund" from our parishes. Common Fund contributes approximately 80% of our costs in providing local parish ministry and support. Parishes despite the challenges they face have managed to increase the overall level of Common Fund by 2% year on year or £110,000 in cash terms. We recognise that this is a huge commitment from our parishes and again we are immensely grateful for their continued support in often difficult circumstances. The payment incentive scheme continues to assist the management of our cash flow with more parishes providing regular monthly contributions. However the economic outlook still remains uncertain with many of our parishes not having significant reserves to fall back on. The BDBF continues to monitor closely the amounts of Common Fund received on a monthly basis.

Against this backdrop of global economic uncertainty, the investment income returns from our investment portfolio have fallen year on year, together with income from local trusts (funded by their own investment returns) towards clergy stipends. Statutory fees from occasional offices, in particular funerals, remain fragile with increasing competition from both other denominations and those of no faith.

Overall expenditure is £9,664,000 compared to £8,926,000 in 2014. The 2014 comparative is flattered by an exceptional credit release of £426,000 with respect to the pension liability

on the Church Workers Pension Scheme, so a 2014 expenditure benchmark for comparison is £9,352,000. The resulting apparent rise of £312,000 represents the new mission activities fully funded by external sources, together with diocesan office restructuring costs of £39,000. Expenditure in the remaining core areas has been contained at 2014 levels.

This gives an overall surplus for the year of £2,189,000 before taking into account the net gains on the revaluation of investment properties in the year yielding a further £282,000. It should be recognised that £1,273,000 of this surplus relates to the "front loading" of restricted purpose income received in advance of expenditure. This income will be spent on planned mission activities in the forthcoming year. The balance will be used to continue our investment in parish ministry and support for the future.

Transitional adjustments to Financial Statements

We have adopted for the first time this year as required, the financial reporting and accounting requirements of the updated Statement of Recommended Practice for Charities (SORP2015) which takes into account a number of changes contained within Financial Reporting Standard 102 ("FRS102"), resulting in the restatement of 2014 comparative figures. The main impact of this new requirement has been the recognition on the balance sheet of our liability to fund deficit pension contributions to the clergy pension scheme. As at 31 December 2015, this liability amounted to £4,543,000. Further details of the pension liability and the impact of transition to FRS102 and are given in notes 30 and 31 to the financial statements respectively.

Significant Property Transactions

2015 has seen the continued implementation of our People and Places strategy with respect to operational asset requirements. We have disposed of six surplus properties together with the settlement of associated secured loans from Church Commissioners. We have invested in a new parsonage together with the externally funded works at our city centre resourcing church - St Luke's, Gas Street. Our property policy continues to be:

- To replace unsuitable properties;
- To accommodate the changing geographical deployment of clergy within the diocese;
- To realise development potential in some properties, thereby using our resources more effectively for the mission and ministry of the Church.

Balance Sheet position

The BDBF Trustees consider that the balance sheet, together with details in note 21 to the financial statements, show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets, given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £37,628,000 (2014:£35,248,000 restated after taking into account the clergy pension scheme liability of £4,830,000), it must be remembered that included in this total are properties, mostly in use for ministry whose value amounted to £25,727,000 (2014:£24,822,000). Much of the remaining assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the BDBF.

Factors that may impact on future financial performance

There are a number of factors which can impact on the BDBF's ability to meet its objectives, but which are outside its control. Most important is the collection of the Common Fund from the parishes. Any significant shortfall in Common Fund collection could have implications for our mission objectives and deployment.

As is the case for all charities with historic endowment, the BDBF is vulnerable to changes in the value and returns upon its properties and stock market based (fiscal) investments. This is mitigated by employing specialist fund managers and advisors to help develop an appropriate investment policy.

The BDBF receives significant support from the Church Commissioners and the basis upon which funding is allocated to dioceses is transitioning to one that is more strategically focused. The BDBF continues to be one of the most economically deprived dioceses within the Church of England and we will continue to receive an element of support based on economic need. We will have to ensure that we continue to develop our strategic mission plans to enable us to bid for future strategic development funding from the Church Commissioners.

Reserves Policy

Free reserves are maintained for the following purposes:

- To avoid bank borrowing if there is a temporary shortfall in income and/ or surge in expenditure;
- To provide for emergencies.

The reserves policy of the BDBF is formulated in line with recommendations of the Charity Commission of England and Wales. The basic

policy statement is as follows:

"The BDBF aims to maintain the equivalent of at least 3 months' operating expenditure in cash and readily liquid assets in the general unrestricted fund. This excludes all designated funds and loans. The policy is to be reviewed on an annual basis"

In arriving at the minimum amount account has been taken of the Board's well established effective income raising and budgeting process. Most income is now received in a steady stream throughout the year and performance against budget is monitored regularly and frequently.

We held this position over the year.

The unrestricted reserve stands at £3,413,000 (when designated funds of (£2,844,000) deficit are taken into account). The overall net designated fund deficit includes the total clergy pension scheme liability of £4,543,000. An amount of £2,393,000, representing 3 months operating expenditure is retained as a general reserve to allow for any unexpected rises in expenditure or shortfall in income. The trustees believe that retaining such reserves will cushion the BDBF from short term revenue problems and will enable them to meet their legal requirements in case of serious financial problems.

Reserves tied up in fixed assets

The unrestricted general fund comprises of net assets amounting to £6,257,000 of which £2,460,000 is tied up in tangible fixed assets.

Designated funds

The BDBF may with the approval of the board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their destination is no longer considered adequate for their retention. A description of each reserve with the intended use of the reserve is set out in note 22. The most significant designated reserve is the full provision for the payment of deficit contributions to the clergy pension scheme over the period to 31 December 2015. This amounts to £4,543,000 as at 31 December 2015.

Restricted and endowment funds

As set out in note 22 the BDBF holds and administers a number of restricted and endowment funds. As at 31 December 2015 restricted funds totalled £6,768,000 (2014: £5,495,000) and endowment funds totalled £27,447,000 (2014: £26,914,000). Neither are available for the general purposes of the BDBF.

Investment Policy

The BDBF maintains a review of its investments through its FIPS subcommittee, which also monitors performance against market benchmarks and considers the adequacy of its investment mix.

In 2014 a revised Statement of Investment Principles was adopted with implementation during late 2014 and 2015. The overarching investment principles are as follows:

- Implement a balanced asset allocation approach to the portfolio with a medium risk profile;
- Portfolio to be well diversified to provide an appropriate base for both long term capital and income growth. This has led to a reallocation of the portfolio against its constituent types of investment;
- Performance to in excess of the WM Index benchmark;
- The Church of England Ethical Investment Forum guidelines will be complied with.

2015 completed the transitional process for the main BDBF portfolio and hence was managed in the following manner:

- Direct property investments managed by Knight Frank;
- Marketable investments actively managed by Smith & Williamson with final transfers from CCLA/CBF Funds;
- Cash funds within CCLA deposit accounts on a self-managed basis

Investment funds within certain restricted funds (Malawi/Church Schools/Bishop Brown) are held within CCLA funds selected on the basis of the income/ capital needs of the respective fund as appropriate.

Performance against the FTSE WMA benchmark was 1.5% below the benchmark, but this was adversely affected by the timing of fund transfers and as at 31 December 2015, not all the funds were fully invested compared to a benchmark portfolio that is fully invested.

Grant Making Policy

The BDBF has established its grant making policy to achieve its objectives for public benefit (as detailed on page 23). We deliver our public benefit to the wider population in the diocese by the work of our parishes. We support this work by grant programmes that help parishes to further engage and service their local communities. This may be mission activities, community regeneration, church maintenance, schools and world mission. All grant applications must be made in writing. Parish mission and delivery plans and available resources are taken into account in the distribution of available grants.

Remuneration of key management personnel

Emoluments of higher paid employees are determined by the Chair of the DBF with reference to regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

Principal Risks and Uncertainties

The trustees of the BDBF have overall responsibility for ensuring that the charitable company has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- An annual budget approved by the trustees;
- Regular consideration of both financial results and other performance indicators;
- Delegation of authority and segregation of duties.

The trustees undertake an annual risk analysis exercise. The analysis includes a consideration of risks (financial/operational/reputational damage) which could impact seriously on the BDBF's operation and development. The Finance, Investment and Property subcommittee oversees the implementation of the recommendations arising out of this risk analysis exercise.

The risk analysis exercise identified four areas where the risk of either failure to act or the impact of the events is considered "high". These areas and the associated mitigation strategies are shown on the table on the following page:

AREA	MITIGATION STRATEGIES
Non-payment of Common Fund.	<ul style="list-style-type: none"> Monthly review of payment profile assisted by proactive discussions with parishes. Monthly payment discount incentives.
Failure to grow the Church in its mission – specifically Growing Younger and Resourcing Church.	<ul style="list-style-type: none"> Oversight group in place for effective monitoring of mission goals and financial impact consequences.
Future funding of clergy posts given the pressure from the national church to increase the number of stipendiary ordinands and clergy pensions.	<ul style="list-style-type: none"> Although difficult to mitigate at diocesan level, it will influence our future clergy deployment and approach to ministry.
Litigation and associated legal costs, especially with respect to public scrutiny of safeguarding.	<ul style="list-style-type: none"> Comprehensive training programme for all parishes. Independent scrutiny group established. Safeguarding Management Group monitors diocesan compliance.

Plans for future periods

As explained in detail on page eight, our plan for future periods is about investing in the “coming generations”. Growing Younger is our diocese-wide initiative within our overall mission strategy of “Transforming Church”. The aim is precisely to pass on the baton of the Christian gospel to children and families, students and young adults as part of our vision of “growing churches at the heart of each community”

Going concern

After making enquiries the trustees are satisfied that the BDBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Charitable and political donations

No political contributions were made during the year. Charitable contributions have been made as part of the BDBF’s objectives, mainly to projects sponsored under parish initiatives.

Taxation status

The BDBF is a charity having been established under the Diocesan Boards of Finance Measure 1925 and, as such, is not liable to income tax or corporation tax. The BDBF is also registered as a charity (reg. No. 249403).

Responsibilities of the Trustees

The trustees are responsible for preparing the Trustees’ Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Statements as to disclosure of information to auditors

The trustees have taken all the necessary steps to make sure that they are aware of any relevant audit information and to establish that the auditors are aware of that information.

As far as the trustees are aware, there is no relevant audit information of which the charitable company’s auditors are unaware.

Appointment of Auditors

A resolution to re appoint RSM UK Audit LLP will be proposed at the forthcoming annual general meeting.

The Board of Trustees approve their Annual Report and, in their capacity as company directors, also approve the Strategic Report incorporated therein on 2 June 2016 and signed on its behalf.

Andrew Halstead

Diocesan and Company Secretary

The Structure of The Church of England

The Church of England is organised as two provinces, each led by an archbishop. The Archbishop of Canterbury leads the Southern Province and the Archbishop of York leads the Northern Province. Each province is comprised of dioceses of which there are 41 in England (42 including the Diocese of Europe).

Dioceses, each under the spiritual leadership of a Diocesan Bishop, are the principal pastoral, financial and administrative resource of the Church of England. Each diocese is divided into parishes. Each parish is overseen by a parish priest, who is an Incumbent (Vicar or Rector) or Priest-in-Charge. From ancient times through to today, Incumbents and their bishop are responsible for the 'cure of souls' in their parish.

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

The Church of England is episcopally-led, with 112 bishops including Diocesan Bishops and Assistant and Suffragan Bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of Acts of Parliament. It is made up of three groups or 'houses' of members: the Houses of Bishops, of Clergy and of Laity. General Synod meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority

and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for surviving partners of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

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

The Diocese

The Cathedral

Birmingham Cathedral is the mother church of the diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from the Cathedral Offices, 1 Colmore Row, Birmingham, B3 2BJ.

Diocesan Synod

The statutory governing body of the diocese is Diocesan Synod which is made up of broadly equal numbers of clergy and lay representatives elected from across the diocese together with the bishops and archdeacons. Its role is to:

- consider matters affecting the Church of England in the diocese
- act as a forum for debate of Christian opinion on matters of religious or public interest
- advise the bishop where requested
- deal with matters referred by General Synod
- provide for the financing of the diocese

Deanery Synod

There is a Deanery Synod in each of the diocese's deaneries. Each Deanery Synod has two houses, laity and clergy, and Deanery Synod's role is to:

- Respond to requests from General Synod
- Give effect to the decisions made by Diocesan Synod
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod
- Raise with Diocesan Synod such matters as it considers appropriate
- Elect members of the deanery to Diocesan Synod and of the diocese to General Synod

The Bishop's Council

Under the constitution of Diocesan Synod, Bishop's Council has the following functions:

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion
- To initiate proposals for action by the Synod and to advise it on matters of policy
- To advise the President (the Diocesan Bishop) on any matter
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees
- To carry out such functions as the Synod may delegate to it

Parochial Church Council (PCC)

A PCC is the elected governing body of an individual parish which in general is the smallest pastoral area in the Church of England. Typically each parish has one parish church. A PCC is made up of the incumbent as chair, the churchwardens, and a number of elected and ex-officio members. Each PCC is a charity. All PCCs with gross income over £100,000 are required by law to register with the Charity Commission (as soon as practical after their gross income exceeds £100,000) unless the Charity Commission issues a written determination to the contrary. This may be possible in exceptional circumstances such as when gross income includes a substantial grant for a purpose that will not be repeated for the foreseeable future. If not required to register, PCCs are 'excepted' charities.

Other than where shown, the transactions of PCCs do not form part of the attached financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

Parishes, Benefices, Deaneries and Archdeaconries

A benefice is an ecclesiastical office in a parish or group of parishes normally served by an incumbent. Team ministries may have several clergy of incumbent status serving in one benefice. A deanery is a group of parishes over which an area dean has oversight and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM DIOCESAN BOARD OF FINANCE

COMPANY NUMBER: 440966

We have audited the financial statements of Birmingham Diocesan Board of Finance for the year ended 31 December 2015 on pages 29 to 49. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

PHILIP COLEMAN
(Senior Statutory Auditor)

For and on behalf of
RSM UK AUDIT LLP
(formerly Baker Tilly UK Audit LLP)
Statutory Auditor

Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Date: 2 June 2016

STATEMENT OF FINANCIAL ACTIVITIES

For year ended 31 December 2015 / Company Number: 440966

	Note	Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
		Endowment funds	Other funds	Designated funds	Undesignated funds		
		£'000	£'000	£'000	£'000		
INCOME							
<i>Income and endowments from:</i>							
Donations:							
	2						
Parish contributions		-	33	-	5,571	5,604	5,499
Archbishops' Council		-	683	337	1,813	2,833	1,957
Other donations		-	907	-	922	1,829	1,347
Charitable activities	3	-	53	-	585	638	611
Other trading activities	4	-	154	97	84	335	336
Investments	5	7	170	7	224	408	577
Other income	6	162	-	-	-	162	555
TOTAL INCOME		169	2,000	441	9,199	11,809	10,882
EXPENDITURE ON							
Raising funds	7	-	41	9	40	90	184
Charitable activities (2014: including pension credit of £426,000)	8	7	1,152	77	8,213	9,449	8,529
Other expenditure	9	-	2	123	-	125	213
TOTAL EXPENDITURE		7	1,195	209	8,253	9,664	8,926
Net income before investment gains and losses		162	805	232	946	2,145	1,956
Net gains / (losses) on investments		(86)	133	(4)	1	44	704
NET INCOME		76	938	228	947	2,189	2,660
Transfers between funds		347	335	32	(714)	-	-
Other recognised losses		-	-	(91)	-	(91)	(45)
Gains / (losses) on revaluation of fixed assets		110	-	172	-	282	(61)
NET MOVEMENT IN FUNDS		533	1,273	341	233	2,380	2,554
Total funds brought forward		26,914	5,495	(3,185)	6,024	35,248	32,694
TOTAL FUNDS CARRY FORWARD		27,447	6,768	(2,844)	6,257	37,628	35,248

Transfers between Funds

For analysis of Transfers between Funds see note 22.

All activities derive from continuing operations.

BALANCE SHEET

For year ended 31 December 2015 / Company Number: 440966

	Note	2015		2014	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	15	25,922		24,950	
			25,922		24,950
<i>Investments:</i>	16				
Investment properties		2,366		2,260	
Birdbof Properties Limited loan		-		268	
Other investments		8,813		7,341	
			11,179		9,869
TOTAL FIXED ASSETS			37,101		34,819
CURRENT ASSETS					
Current asset investments	17	827		907	
Debtors	18	1,262		1,532	
Cash at bank		5,324		5,017	
			7,413		7,456
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	19	(2,176)		(2,160)	
NET CURRENT ASSETS			5,237		5,296
TOTAL ASSETS LESS CURRENT LIABILITIES			42,338		40,115
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	20		(4,710)		(4,867)
NET ASSETS			37,628		35,248
FUNDS					
Restricted income funds			6,768		5,495
Endowment funds			27,447		26,914
<i>Unrestricted income funds:</i>					
Designated			(2,844)		(3,185)
Undesignated	22		6,257		6,024
			37,628		35,248

The Income and Expenditure Account, Cash flow Statements and the Notes form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 2 June 2016 and signed on behalf of the Board by:

.....
Mr Phil Nunnerley – Chair

INCOME AND EXPENDITURE ACCOUNT

For year ended 31 December 2015 / Company Number: 440966

	2015	2014
	£'000	£'000
Total incoming resources	11,640	10,364
Resources expended	(9,657)	(8,919)
Net income before gains for the year	1,983	1,445
Net gains on investments	130	260
NET INCOME FOR THE YEAR	2,113	1,705
<i>Other comprehensive income:</i>		
Net assets transferred to endowments	347	712
TOTAL COMPREHENSIVE INCOME	2,460	2,417

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

CASH FLOW STATEMENT

For year ended 31 December 2015 / Company Number: 440966

	Note	2015	2014
		£'000	£'000
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	26	1,932	595
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rent from investments		408	577
Interest paid		(17)	(44)
Proceeds from sale of:			
Tangible fixed assets for the use of the BDBF		359	1,786
Fixed asset investments		3,096	4,070
Investment property		911	558
Purchase of:			
Tangible fixed assets for the use of the BDBF		(1,592)	(2,580)
Fixed asset investments		(4,524)	(3,039)
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES		(1,359)	1,328
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans repaid by BDBF		(747)	(1,748)
New loans received by BDBF		540	-
Loans repaid to BDBF		149	568
New loans made by BDBF		(208)	(13)
NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES		(266)	(1,193)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		307	730
Cash and cash equivalents at 1 January		5,017	4,287
Cash and cash equivalents at 31 December	27	5,324	5,017

NOTES TO THE ACCOUNTS

For year ended 31 December 2015 / Company Number: 440966

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011, applicable accounting standards (FRS102), Charities SORP (FRS102), The Church of England Diocesan Annual Reports and Financial Statements Guide and under the historical cost accounting rules except that fixed asset investments and investment properties are included at fair valuation.

Also consolidated accounts have not been prepared for the reasons given in note 16 below.

Following transition to FRS102 for the first time in 2015 all of the accounting policies have been aligned with the new accounting standard and where these have resulted in a material change to the amounts, classification or presentation within the financial statements as at the date of transition then a transitional adjustment has been made (see note 30). The principal accounting policies and estimation techniques are as follows:

Turnover

The BDBF does not undertake trading on its own account. There is a subsidiary company which gift aids its profits to the BDBF:

Birdbof Properties Limited – a wholly owned property investment company.

Incoming Resources

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

Common Fund and income from parochial fees - The principal source of income comes from voluntary giving in the form of parish contributions (Common Fund), which includes amounts received up to the 31 January following the year end. Common Fund income also includes any arrears received from previous years.

Grant income - Grants received which are subject to pre-conditions for entitlement or use specified by the donor which have not been met at year end are included in creditors to be carried forward to the following year.

Income from the Archbishops' Council is accounted for on a receivable basis and represents the annual grant for diocesan and parish mission, the funds for which originate in a block grant by the Church Commissioners to the Archbishops' Council. The annual grants from the Archbishops' Council may be used for either specific parish mission and development

projects (Mission Development Funding), clergy stipends (Ministry Support), Resourcing Church (City Centre Resourcing Churches Funding) or the Growing Younger mission programme (Strategic Development Funding).

Rent and investment income - Rent and investment income are recognised as income when receivable.

Gains on disposal of fixed assets for the BDBF's own use - Gains on disposal of fixed assets for the BDBF's own use (ie non investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.

Birmingham Diocesan Endowment Fund income - The income from this fund is restricted for purpose of clergy stipends. However the income is fully expended within the year of receipt and the legal restrictions therefore are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

Glebe Fund income - All clear income derived from its investments is transferred to the General Fund as contribution towards the cost of clergy stipends. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the BDBF to pay out resources. Expenditure is included on the accruals basis under the following headings; all costs are allocated to a specific category.

Costs of raising funds - These are the costs of managing the Endowment and Glebe funds investments, plus the costs associated with letting the vacant parsonages and Board houses.

Charitable Expenditure - Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry and expenditure on education and Church of England schools in the diocese.

Resourcing ministry and mission includes the direct costs for the clergy, plus the costs of supporting the work of the parishes within the City and Diocese of Birmingham. This principally includes the cost of clergy stipends, costs related to maintaining clergy housing in the parishes, the payment of grants to assist parish work plus

the related staff costs and overheads.

Grants payable - Grants payable are accounted for when authorised, when the award of the grant has been specifically communicated to the recipient and when the trustees have agreed to pay the grant without condition, or any condition attaching to the grant is outside the control of the BDBF. Grants offered subject to certain conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Support costs - Support costs consist of central management, administration and governance costs. These are costs which are directly attributable to a specific charitable activity.

Pension costs and other post-retirement benefits - The BDBF contributes to the Church of England Funded Pension Scheme for clergy and the Church Workers Pension Fund for other staff. Both these schemes are multi-employer pension schemes. The pension costs charged as resources expended represent the BDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding liabilities for the pension schemes to which the BDBF participates is recognised at the present value of contributions payable that arise from the deficit funding agreement. The liability is recognised in creditors distinguishing between contributions falling due within one year and after more than one year. Details of the schemes are given in note 24 to the financial statements.

Redundancy and termination benefits - Redundancy and termination benefits are recognised as soon as there is a legal or constructive obligation committing the BDBF to pay out resources.

Tangible fixed assets and depreciation

Freehold properties and parsonage houses - Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material, due to the very long expected remaining useful life in each case, and because their expected residual values are not materially less than their carrying value.

The BDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value.

Parsonage houses recognition - The BDBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The BDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if declared redundant. The Trustees therefore consider the most suitable accounting policy to be to capitalise such properties as expendable endowment assets and to carry them at cost where known, otherwise at the deemed cost valuation of the midpoint of the relevant 1994 council tax band value. There had been no change in recognition basis upon the transition to FRS102.

Other non-investment properties - The BDBF now includes all other non-investment properties at cost where known, otherwise at the deemed cost valuation of the midpoint of the relevant 1994 council tax band value. There had been no change in recognition basis upon the transition to FRS102.

For properties that are jointly owned with a third party such as a parochial church council, only the proportion of the BDBF's investment in the property is accounted for within the financial statements of the BDBF.

Redundant churches are included at no value.

Properties subject to value linked loans - Value linked loans from the Church Commissioners that are administered by the BDBF and the corresponding equivalent value of the property to which they relate are all included in the balance sheet as an asset and corresponding liability, in accordance with the recommendation of the Diocesan Accounts Guide. Each year end the respective property and loan are carried at an index linked current valuation basis. This is based on the Nationwide Housing Index for the West Midlands.

Investment properties - In accordance with FRS102, investment properties are carried at their fair value and this is considered by the Trustees annually and the aggregate surplus or deficit is recognised in the Endowment Fund and Glebe Fund. Investment properties were last professionally valued as at 31 December 2015, the results of which are included in these financial statements. The next professional valuation of properties is due as at 31 December 2020. No depreciation is provided on investment properties.

Non Property fixed assets - Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation - Depreciation of non property assets is charged by equal annual instalments at rates estimated to write off their cost less any residual value over the expected useful lives that

are as follows:

Computer equipment 3 years

Office furniture and fittings 10 years or the end of the property lease if relating to tenants improvements

Other investments - Consolidated accounts have not been prepared on the basis that the results of the subsidiary company are not material to the accounts of the Birmingham Diocesan Board of Finance. These financial statements therefore present the information about the company as an individual entity rather than as a group.

The loan to Birdbof Properties Limited is stated at the value of the properties transferred from the BDBF less an impairment provision. The impairment provision arises due to the deemed permanent reduction in carrying value of the transferred properties by an independent professional valuation.

All other investments are stated at fair value. Realised gains or losses are recognised in the Statement of Financial Activities when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at the year end.

Concessionary loans - Concessionary loans (both made and received) are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment. They are assessed for objective evidence of impairment at the end of each reporting period.

Funds

Funds over which the BDBF's control is limited by statute or the terms of a trust deed, or which are restricted in their use, have been defined as "restricted funds". Funds which are controlled by the BDBF and over which there are essentially no restrictions as to their use (either by statute or trust) have been defined as "unrestricted". Designated funds are unrestricted funds that have been set aside by the BDBF for purposes designated by BDBF policy. Such designations may be set aside from time to time according to policy decisions.

Endowments

The Endowment Funds are those whose capital represent permanent endowment and are therefore not available for revenue expenditure. The income derived from the properties and other investments is available for meeting the costs of clergy stipends. There are two such funds:

Diocesan Glebe - This represents those historic lands and buildings which were held by incumbents and formed part of the benefice

prior to the Endowments and Glebe Measure 1976. Glebe investments are subject to regulations under this Measure and previous Acts of Parliament.

The Endowment Fund - This is a local fund originally set up under a Charity Commissioners Scheme of 1906 (amended in 1930) and is available for investment at the discretion of the Board of Finance subject to general charities legislation.

Details of the major funds held by the BDBF are given in note 22 to the financial statements.

Operating leases - Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the lease period.

Schools major repair and capital projects - The Board of Education (as incorporated within the Diocesan Board of Finance) receives contributions from governors of church schools in the Diocese in connection with major repair and capital projects to Church Schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as incoming resources or resources expended in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

Cash and cash equivalents - Cash and cash equivalents include cash at bank and in hand and short term deposits with any qualifying institution repayable within a three month notice period.

Financial instruments - The BDBF has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments" of FRS102 in full to all of its financial instruments.

Trade debtors which are receivable within 1 year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost being the transaction price less any amounts settled and any impairment losses.

Trade creditors payable within 1 year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less amounts settled.

NOTES TO THE ACCOUNTS

For year ended 31 December 2015 / Company Number: 440966

2. DONATIONS

Parish contributions:	
Common Fund – current	-
Common Fund – prior	-
TOTAL COMMON FUND	-
Contributions to Malawi Fund	33
TOTAL PARISH CONTRIBUTIONS	33
Archbishops' Council:	
Ministry Support	-
Mission Development	-
Strategic Development	333
City Centre Resourcing Churches Fund	350
TOTAL ARCHBISHOPS' COUNCIL	683
Other donations:	
Stipend sources	-
All Churches Trust	-
Other donations to Malawi Fund	55
Legacies	-
Resourcing Church - Fabric	685
Resourcing Church - Operations	119
Other donations	48
TOTAL OTHER DONATIONS	907

Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
Endowment funds	Other funds	Designated funds	Undesignated funds		
£'000	£'000	£'000	£'000	£'000	£'000
-	-	-	5,507	5,507	5,398
-	-	-	64	64	63
-	-	-	5,571	5,571	5,461
-	33	-	-	33	38
-	33	-	5,571	5,604	5,499
-	-	107	1,813	1,920	1,739
-	-	230	-	230	218
-	333	-	-	333	-
-	350	-	-	350	-
-	683	337	1,813	2,833	1,957
-	-	-	630	630	765
-	-	-	130	130	125
-	55	-	-	55	30
-	-	-	162	162	185
-	685	-	-	685	-
-	119	-	-	119	-
-	48	-	-	48	242
-	907	-	922	1,829	1,347

The annual grants from Archbishops' Council may be used either for specific parish mission and development projects or for clergy stipends. The Strategic Development Funding is restricted to the Growing Younger programme of mission activities. The City Centre Resourcing Churches Funding is restricted to the St Luke's – Gas Street resourcing church.

3. INCOME FROM CHARITABLE ACTIVITIES

Statutory fees	-
Parish training events	-
Schools training events and services	45
Payroll Bureau service	-
Interest receivable on parish loans	8
TOTAL	53

Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
Endowment funds	Other funds	Designated funds	Undesignated funds		
£'000	£'000	£'000	£'000	£'000	£'000
-	-	-	557	557	506
-	-	-	19	19	47
-	45	-	-	45	37
-	-	-	9	9	10
-	8	-	-	8	11
-	53	-	585	638	611

4. OTHER TRADING ACTIVITIES

Housing income	154
Recharges to Diocese of Birmingham Educational Trust	-
TOTAL	154

Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
Endowment funds	Other funds	Designated funds	Undesignated funds		
£'000	£'000	£'000	£'000	£'000	£'000
-	154	97	39	290	291
-	-	-	45	45	45
-	154	97	84	335	336

5. INVESTMENT INCOME

Dividends and interest
Rents
TOTAL

Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
Endowment funds	Other funds	Designated funds	Undesignated funds		
£'000	£'000	£'000	£'000	£'000	£'000
7	170	7	114	298	406
-	-	-	110	110	171
7	170	7	224	408	577

6. OTHER INCOME

Gain on sale of fixed assets
Disposal of redundant church
TOTAL

Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
Endowment funds	Other funds	Designated funds	Undesignated funds		
£'000	£'000	£'000	£'000	£'000	£'000
162	-	-	-	162	371
-	-	-	-	-	184
162	-	-	-	162	555

7. FUND RAISING COSTS

Investment management costs
Property rental costs
TOTAL

Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
Endowment funds	Other funds	Designated funds	Undesignated funds		
£'000	£'000	£'000	£'000	£'000	£'000
-	-	-	20	20	14
-	41	9	20	70	170
-	41	9	40	90	184

8a. EXPENDITURE ON CHARITABLE ACTIVITIES

<i>Contribution to Archbishops' Council:</i>
Training for ministry
National Church responsibilities
Mission agency pension costs
Retired clergy housing costs
Pooling of ordinands maintenance grants
TOTAL
<i>Resourcing Ministry and Mission:</i>
Parish Ministry:
Stipends and National Insurance
Pension contributions
Housing costs
Removal, resettlement and grants
Resourcing Church
Mission grants
Other expenses
TOTAL
<i>Expenditure on Education:</i>
Support for Church Schools
TOTAL

Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
Endowment funds	Other funds	Designated funds	Undesignated funds		
£'000	£'000	£'000	£'000	£'000	£'000
-	-	-	178	178	179
-	-	-	151	151	154
-	-	-	11	11	10
-	-	-	56	56	55
-	-	-	28	28	6
-	-	-	424	424	404
-	-	-	4,165	4,165	4,084
-	-	(484)	1,343	859	845
-	646	252	-	898	895
7	-	-	324	331	285
-	53	-	-	53	-
-	108	333	29	470	407
-	-	-	96	96	80
7	807	101	5,957	6,872	6,596
-	169	(24)	1,704	1,849	1,220
7	976	77	7,661	8,721	7,816
-	176	-	128	304	309
7	1,152	77	8,213	9,449	8,529

NOTES TO THE ACCOUNTS

For year ended 31 December 2015 / Company Number: 440966

8b. Included in Resourcing Ministry and Mission, is the following significant item that impacts upon the comparative figure the year ended 31 December 2014:

*

Support for parish ministry
Release of pension provision in respect of Church Workers Pension Scheme
TOTAL

Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
Endowment funds	Other funds	Designated funds	Undesignated funds		
£'000	£'000	£'000	£'000	£'000	£'000
-	-	-	-	-	(426)
-	-	-	-	-	(426)

9. OTHER EXPENDITURE

Interest payable on other loans
Interest charge on pension liabilities
Loss on sale of fixed assets
TOTAL

Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
Endowment funds	Other funds	Designated funds	Undesignated funds		
£'000	£'000	£'000	£'000	£'000	£'000
-	2	15	-	17	44
-	-	106	-	106	169
-	-	2	-	2	-
-	2	123	-	125	213

10. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities directly undertaken	Grant funding of activities	Support costs	Total 2015
	£'000	£'000	£'000	£'000
RAISING FUNDS	90	-	-	90
<i>Charitable activities:</i>				
Contributions to Archbishops' Council	-	424	-	424
Resourcing parish ministry	7,142	629	950	8,721
Education	165	-	139	304
Other	125	-	-	125
	7,522	1,053	1,089	9,664

	Activities directly undertaken	Grant funding of activities	Support costs	Total 2014
	£'000	£'000	£'000	£'000
RAISING FUNDS	184	-	-	184
<i>Charitable activities:</i>				
Contributions to Archbishops' Council	-	404	-	404
Resourcing parish ministry	6,904	507	405	7,816
Education	215	6	88	309
Other	213	-	-	213
	7,516	917	493	8,926

11. ANALYSIS OF SUPPORT COSTS

Support for Schools
Administration and premises
Church Workers Pension Scheme
Synod and Diocesan Advisory Committee Support
Governance:
Auditors
Registrar and Chancellor
TOTAL

Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
Endowment funds	Other funds	Designated funds	Undesignated funds		
£'000	£'000	£'000	£'000	£'000	£'000
-	139	-	-	139	88
-	-	-	854	854	678
-	-	(38)	-	(38)	(426)
-	-	-	91	91	104
-	-	-	14	14	19
-	-	-	29	29	30
-	139	(38)	988	1,089	493

12. ANALYSIS OF GRANTS MADE

	Number	Individuals	Institutions	2015 Total	2014 Total
		£'000	£'000	£'000	£'000
<i>From unrestricted funds for national church responsibilities:</i>					
Archbishops' Council	5	-	424	424	404
<i>From unrestricted / designated funds:</i>					
PCC's for mission (Transforming Church)	41	-	155	155	232
PCC's re: pastoral account activities	10	-	178	178	50
Ordinands in training	12	159	-	159	100
Sundry clergy grants	13	29	-	29	12
TOTAL	76	188	333	521	394
<i>From restricted funds:</i>					
Malawi Partnership dioceses and projects	5	-	93	93	98
PCC's for project workers (Action in the City)	3	-	11	11	8
Church Schools	-	-	-	-	6
PCC's for church repairs (Sites and Buildings)	2	-	4	4	7
TOTAL	10	-	108	108	119
TOTAL GRANTS PAYABLE	91	188	865	1,053	917

13. STAFF COSTS

	2015	2014
	£'000	£'000
<i>Employee costs during the year (excluding clergy pay):</i>		
Wages and salaries	1,112	938
Social security costs	107	90
Pension costs	159	171
Redundancy costs	39	-
TOTAL	1,417	1,199
<i>Average number of people employed during the year:</i>		
	No.	No.
Parish mission support	22	14
Discipleship and Ministry support	9	9
Administration and financial management	9	8
Property	3	3
Education	4	5
TOTAL	47	39

The numbers of staff whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows:

	2015	2014
	No.	No.
In the band £60,000 - £65,000	1	1
In the band £70,000 - £75,000	1	1

The total amount of employer defined contribution pension contributions paid on behalf of these employees were £16,213 (2014:£15,882).

Key management (employee) personnel are deemed to be those having authority and responsibility delegated to them by the trustees, for planning, directing and controlling the activities in the diocese. During 2015 they were:

Diocesan Secretary and Company Secretary	Andrew Halstead
Director of Finance	Melanie Crooks
Diocesan Surveyor	Alan Broadway
Human Resources Director	Jan Smart
Director of Education	Sarah Smith

NOTES TO THE ACCOUNTS

For year ended 31 December 2015 / Company Number: 440966

Remuneration and pensions for these 5 employees amounted to £321,941 (2014: £231,711 for 3.5 FTE employees).

None of the directors received any remuneration as directors. The BDBF paid £2,226 (2014: £2,438) for the premium on the trustees' indemnity insurance.

The clergy and clergy stipends are not included within the BDBF's staff costs, as they are not employees of the BDBF. The BDBF is merely responsible for the central administration and payment of the stipends on behalf of the parishes. However the BDBF paid an average of 147 (2014: 144) stipendary clergy as office holders holding parish or diocesan appointments in the diocese, and the costs were as follows:

	2015	2014
	£'000	£'000
Stipends	3,746	3,722
National Insurance contributions	324	311
Pension costs – current year	859	886
Pension costs – deficit funding provided	484	419
TOTAL	5,413	5,338

14. NET INCOME BEFORE TRANSFERS AND OTHER RECOGNISED GAINS / (LOSSES)

	2015	2014
	£'000	£'000
<i>Net income is stated after charging:</i>		
Depreciation – owned assets	39	37
Gain on disposal of fixed assets	160	495
Payments under operating leases – plant and equipment	-	27
Smoothing of rent free period on land and building operating lease	59	145
Auditor's remuneration – audit of financial statements	14	16
Auditor's remuneration – other services	-	3

15. TANGIBLE FIXED ASSETS

	Freehold Properties (see analysis below)	Freehold Properties subject to value linked loans	Long Leasehold Property Asset in Course of Construction	Computer equipment	Office equipment	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
COST / DEEMED COST OR VALUATION						
At 1 January 2015	23,205	526	1,091	130	147	25,099
Additions	697	-	789	37	69	1,592
Disposals	(46)	(153)	-	(62)	-	(261)
Revaluations	-	10	-	-	-	10
Transfers	(255)	(137)	-	-	-	(392)
AT 31 DECEMBER 2015	23,601	246	1,880	105	216	26,048
ACCUMULATED DEPRECIATION						
At 1 January 2015	-	-	-	113	36	149
Charge for the year	-	-	-	24	15	39
Disposals	-	-	-	(62)	-	(62)
AT 31 DECEMBER 2015	-	-	-	75	51	126
NET BOOK VALUE						
At 31 December 2015	23,601	246	1,880	30	165	25,922
At 31 December 2014	23,205	526	1,091	17	111	24,950

All the above assets are used for charitable purposes.

In the event of a sale of any of the houses purchased with value-linked loans, the whole or a proportionate part, of the net sale proceeds would go to the Church Commissioners. It is likely that the open market value of the BDBF's freehold land and buildings is materially greater than their book value. The amount of such differences cannot be ascertained without incurring significant costs, which in the opinion of the Trustees is not justified in terms of the benefit to the users of the financial statements.

The long leasehold property as an asset in the course of construction as at 31 December 2015, relates to the 109 year lease purchased on Retort House, Gas Street, Birmingham, together with its associated building works. This is our city centre resourcing church – St Luke's, Gas Street.

**15. TANGIBLE FIXED ASSETS
(CONTINUED)**

	2015 cost or deemed cost	2014 cost or deemed cost
	£'000	£'000
FREEHOLD PROPERTIES		
<i>Endowment Funds:</i>		
Benefice houses fund:		
Parsonage houses	17,276	16,772
Glebe funds:		
Housing of team vicars, curates and others	960	960
<i>Unrestricted funds:</i>		
Corporate property:		
Housing of senior clergy, curates & others	1,404	1,482
Other corporate property	3,961	3,991
TOTAL FREEHOLD PROPERTIES (EXCLUDING THOSE SUBJECT TO VALUE LINKED LOANS)	23,601	23,205

**16. INVESTMENT HELD
AS FIXED ASSETS**

	Glebe	Endowment fund	Total
	£'000	£'000	£'000
a) INVESTMENT PROPERTIES			
At 1 January 2015	980	1,280	2,260
Disposals	(4)	-	(4)
Revaluation	450	(340)	110
AT 31 DECEMBER 2015	1,426	940	2,366

Properties were valued by Knight Frank (Chartered Surveyors) on an open market existing use basis as at 31 December 2015. The BDBF's policy is to seek formal professional valuations of its investment properties every 5 years with trustee review in the intervening period.

	2015	2014
	£'000	£'000
b) BIRDBOF PROPERTIES LIMITED LOAN		
Loan principal at 1 January	829	965
Amounts due from BDBF to Birdbof in respect of overpaid gift aid payments in prior periods	-	(136)
Revised loan principal at 31 December	829	829
Provision against under-recovery at 1 January	(561)	(697)
Movement in provision in year	-	136
Provision against under-recovery at 31 December	(561)	(561)
Transfer to current asset investments	(268)	-
AMOUNTS RECOVERABLE AT THE YEAR END	-	268

At a meeting on 10 December 2015, the directors of Birdbof Properties Limited and the BDBF agreed that the trade and assets of Birdbof Properties will be transferred to the BDBF and Birdbof Properties Limited will be wound up in due course. As a consequence, the loan has been reclassified from fixed asset investments to current asset investments.

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16. INVESTMENT HELD AS FIXED ASSETS (CONTINUED)

	1 January 2015	Sales	Purchases	Change in market value	31 December 2015
	£'000	£'000	£'000	£'000	£'000
c) OTHER INVESTMENTS					
<i>Endowment funds</i>					
Listed investments	3,157	(2,621)	3,053	(86)	3,503
Unlisted investments	473	-	-	-	473
	3,630	(2,621)	3,053	(86)	3,976
<i>Other restricted funds</i>					
Listed investments	234	-	-	(1)	233
Unlisted investments	3,369	(3)	-	134	3,500
	3,603	(3)	-	133	3,733
<i>Unrestricted funds</i>					
Designated funds:					
Listed investments	-	-	-	-	-
Unlisted investments	108	-	-	(4)	104
Undesignated funds:					
Listed investments	-	(472)	1,471	1	1,000
Unlisted investments	-	-	-	-	-
	108	(472)	1,471	(3)	1,104
TOTAL	7,341	(3,096)	4,524	44	8,813

Unlisted investments consist of freely marketable shares in The Central Board of Finance Investment Fund and COIF administered by the CCLA Fund Managers. The historic cost of listed investments as at 31 December 2015 was £3,691,000 (2014: £2,491,000) and £3,118,000 (2014: £3,124,000) for unlisted investments.

d) SUBSIDIARY UNDERTAKINGS

The BDBF owns the entire share capital of Birdbof Properties Limited, a property investment company registered in England and Wales. At the end of the year, the company had net liabilities of £566,310, and appropriate provision has been made against its indebtedness to the BDBF (see above). The company's trading results and balance sheet have been prepared on a break up basis before the proposed transfer of trade and assets to the BDBF post 31 December 2015.

	2015	2014
	£'000	£'000
1 PROFIT AND LOSS ACCOUNT:		
Turnover	65	70
Administrative expenses	(93)	(49)
(Loss)/Profit on ordinary activities	(28)	21
RESULT FOR THE YEAR	(28)	21
2 NET ASSETS:		
Tangible Fixed Assets	-	310
Net current liabilities	(566)	(20)
Creditors: amounts falling due after more than one year	-	(828)
NET LIABILITIES	(566)	(538)

Consolidated accounts have not been prepared on the basis that the results of the subsidiary company are not material to the accounts of the Birmingham Diocesan Board of Finance.

17. CURRENT ASSET INVESTMENTS

	2015	2014
	£'000	£'000
<i>Property asset held for resale:</i>		
Transfer from fixed assets	392	907
Revaluation to fair value	167	-
Birdbof Properties loan (transfer from fixed asset investments)	268	-
CARRYING VALUE AS AT 31 DECEMBER 2015	827	907

The current asset property investment for the year ended 31 December 2015 relates to three properties that were deemed surplus to requirements. One of the properties was subject to a value linked loan from the Church Commissioners. The connected loan on this property has been disclosed as creditors due within one year (see note 19).

At a meeting on 10 December 2015, the directors of Birdbof Properties Limited and the BDBF agreed that the trade and assets of Birdbof Properties will be transferred to the BDBF and Birdbof Properties Limited will be wound up in due course. As a consequence, the loan has been reclassified from fixed asset investments to current asset investments.

18. DEBTORS

	2015	2014
	£'000	£'000
<i>Receivable within one year:</i>		
Parish loans (concessionary loans)	56	107
Other loans (concessionary loans)	39	8
Amounts due from subsidiary undertaking	4	6
Prepayments and other debtors	673	990
Accrued income	20	85
	792	1,196
<i>Receivable after one year:</i>		
Parish loans (concessionary loans)	129	185
Other loans (concessionary loans)	341	151
	470	336
TOTAL DEBTORS	1,262	1,532

Parish loans in 2015 include an amount of £290,885 (2014: £124,500) due from parishes in respect of "back-to-back" loans made to parishes from funds made available to the BDBF by the Central Board of Finance. The corresponding liability, being the amount repayable by the BDBF to the Central Board of Finance, is included within other loans in note 20 below. Interest was payable and receivable at the same rate, being 0.55% above the CBF deposit rate.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Other loans - Church Commissioners (concessionary loan)	174	615
Other loans - Gloucester DBF (concessionary loan)	68	-
Trade creditors	400	122
Other creditors	240	228
Pension fund deficit - clergy pension scheme	491	457
Accruals and deferred income	803	738
	2,176	2,160

Included within accruals is the following deferred income in relation to grant monies received in advance for 2016

	2015
	£'000
Deferred income at 1 January 2015	103
Released in the year	(85)
Amounts recognised in the year	113
DEFERRED INCOME AT 31 DECEMBER 2015	131

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19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

Other loans (Church Commissioners) relate to advances from the Church Commissioners for house purchases and parish "back to back loans" from the Central Board of Finance. The loans are variable interest loans at the rate of the Central Board of Finance Church of England Deposit Fund rate plus 0.55%.

The Church Commissioners have up to 100% equity in certain diocesan houses subject to value linked loans. The loans are secured on the buildings for which the money was loaned. Repayment of each house purchase loan is due upon the sale of the related property. As at 31 December 2015 it was

anticipated that some of these loans will be repayable within one year as the properties were held as current assets.

The parish "back to back" loans are unsecured in nature and their repayment maturity matches that of the respective parish loan debtor to the BDBF.

The loan from the Gloucester Diocesan Board of Finance is a restricted purpose loan for the building works in connection with the Resourcing Church project. The loan is an interest free, unsecured arrangement with repayments over a 5 year period.

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£'000	£'000
Pension fund deficit - clergy pension scheme	4,052	4,373
Other loans - Church Commissioners (concessionary loan)	386	494
Other loans - Gloucester DBF (concessionary loan)	272	-
	4,710	4,867

The maturity of the above loans may be analysed as follows:

	2015	2014
	£'000	£'000
Between one to two years	105	18
Between two to five years	306	53
In five years and more	247	423
	658	494

Other loans (Church Commissioners) relate to advances from the Church Commissioners for house purchases and parish "back to back loans" from the Central Board of Finance. The loans are variable interest loans at the rate of the Central Board of Finance Church of England Deposit Fund rate plus 0.55%

The Church Commissioners have up to 100% equity in certain diocesan houses subject to value linked loans. The loans are secured on the buildings for which the money was loaned. Repayment of each house purchase loan is due upon the sale of the related property.

The parish "back to back" loans are unsecured in nature and their repayment maturity matches that of the respective parish loan debtor to the BDBF.

The loan from the Gloucester Diocesan Board of Finance is a restricted purpose loan for the building works in connection with the Resourcing Church project. The loan is an interest free, unsecured arrangement with repayments over a 5 year period.

21. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Restricted funds		Unrestricted funds		Total funds 2015	Total funds 2014
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible assets:						
Other fixed assets	18,236	796	4,430	2,460	25,922	24,950
Investments - fixed:						
Investment properties	2,366	-	-	-	2,366	2,260
Birdbof loan	-	-	-	-	-	268
Other	3,976	3,733	104	1,000	8,813	7,341
Investment - current	-	-	559	268	827	907
Debtors:						
Due within one year	-	274	-	518	792	1,196
Due after one year	-	217	-	253	470	336
Cash at bank	2,869	2,499	(3,123)	3,079	5,324	5,017
Creditors						
Due within one year	-	(479)	(629)	(1,068)	(2,176)	(2,160)
Due after one year	-	(272)	(4,185)	(253)	(4,710)	(4,867)
NET ASSETS	27,447	6,768	(2,844)	6,257	37,628	35,248

22. MOVEMENTS IN FUNDS

	1 January 2015	Income	Expenditure	Transfers	Capital movements	31 December 2015
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUNDS						
Glebe Fund*	4,885	5	-	-	403	5,293
Birmingham Diocesan Endowment Fund*	5,072	-	-	-	(381)	4,691
Parsonage Houses Fund	16,772	157	-	347	-	17,276
Bishop Brown Legacy Endowment Fund*	185	7	(7)	-	2	187
	26,914	169	(7)	347	24	27,447
OTHER RESTRICTED FUNDS						
Parsonage Fund	-	154	(689)	535	-	-
Sites and Buildings Fund	963	8	(4)	-	-	967
Church Schools Fund*	4,137	196	(176)	-	112	4,269
Action in the City Fund*	66	4	(11)	-	5	64
Malawi Partnership Fund	329	103	(93)	-	16	355
Growing Younger Fund (1)	-	352	(154)	-	-	198
St Luke's, Gas Street - Fabric Fund	-	1,035	(5)	(200)	-	830
St Luke's, Gas Street - Operational Fund	-	119	(48)	-	-	71
soul[food]	-	29	(15)	-	-	14
	5,495	2,000	(1,195)	335	133	6,768
UNRESTRICTED FUNDS						
<i>Designated funds:</i>						
Houses Fund	-	97	(278)	9	172	-
Pastoral Fund*	1,252	7	(178)	-	(4)	1,077
Pensions Reserve	(4,868)	-	416	-	(91)	(4,543)
Transforming Church Fund	246	150	(155)	(113)	-	128
Growing Younger Fund (2)	185	187	(14)	136	-	494
<i>Undesignated funds:</i>						
General Fund	6,024	9,199	(8,253)	(714)	1	6,257
	2,839	9,640	(8,462)	(682)	78	3,413
TOTAL	35,248	11,809	(9,664)	-	235	37,628

The funds denoted with * include the following revaluation reserves:

	2015	2014
	£'000	£'000
<i>Without endowment funds:</i>		
Glebe Fund	1,078	502
Endowment Fund	421	1,196
Bishop Brown Legacy Endowment Fund	3	-
	1,502	1,698
<i>Within restricted funds:</i>		
Church Schools Fund	1,038	925
Action in the City Fund	5	1
	1,043	926
<i>Within designated funds:</i>		
Pastoral Fund	(195)	(191)
	(195)	(191)
TOTAL	2,350	2,433

Details of the major funds are as follows:

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Endowment Funds

Glebe Fund - Under the terms of the Endowments and Glebe Measure 1976, all historic parish Glebe land holdings were transferred to the respective Diocesan Boards of Finance, which were required, in return, to ensure that all clergy within their Diocese received at least the agreed minimum stipend for the year. It represents glebe assets and the accumulated sale proceeds of glebe property. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice property. Besides glebe property, the funds may be invested in investments or cash held on deposit. All clear income derived from these investments is transferred to the General Fund as a contribution towards the cost of clergy stipends.

Birmingham Diocesan Endowment Fund - This fund was also established under a scheme of the Charity Commissioners (dated September 1906), promoted by the Worcester Diocese, with the object of providing a permanent capital endowment, the income derived from which was to be available to the Diocesan trustees for the purpose of augmenting the incomes of clergy serving in the 'poorer areas' of Birmingham. In 1963, the Charity Commissioners approved a variation to the scheme appointing the BDBF as joint trustees of the charity, together with the Birmingham Diocesan Trustees Registered. The objects were varied slightly by a Birmingham Commissioners Order dated August 1981, following the implementation of the Endowment and Glebe Measure, confirming that any clear income of the charity is to be applied in augmenting stipends of the clergy in the Diocese of Birmingham. Subsequent to the 'Fresh Start' re-organisation of 1993, the BDBF transferred certain property and fiscal investments previously held in the General Fund into the Endowment Fund. Glebe and Endowment Fund investments are monitored by the Finance Investments and Property Sub-committee, advised by the BDBF's professional property agents and investment managers.

Parsonage Houses Fund - This fund represents the carrying value of all the benefice houses (parsonages) in the diocese.

Bishop Brown Legacy Endowment Fund - This fund was established from the estate of the late Bishop Brown (Bishop of Birmingham 1969-1977). His will gave a legacy to the BDBF to establish an endowment fund for the benefit of ordinands in training in the diocese. The income derived from the capital endowment may be used to contribute

to the maintenance grants of those in training.

Restricted Funds

Parsonage Fund - This fund was established in 1972 following the implementation of the 'Repair of Benefice Buildings' measure of 1971. The cost of all repairs and renewals to benefice properties (parsonages) incurred by the BDBF are charged to this fund, which is credited with parish contributions to repairs plus any grants received from external trusts, together with any monies allocated from the sale of redundant parsonages. The balance of expenditure is met by a transfer from the BDBF's General Fund.

Sites and Buildings Fund - This fund was originally created under a scheme of the Charity Commissioners by the Worcester Diocese in November 1906, when Birmingham was first being established as an independent Diocese, (Birmingham being formed mostly from parishes previously part of either the Diocese of Worcester or Lichfield). The objects of that fund were to assist the proposed new Diocese in providing sites for and building new churches and mission rooms. The fund was absorbed into the Annual Reports of the Birmingham Diocese during the years following the First World War and in 1951 the Charity Commissioners' consent was obtained to replacing individual trustees by the Birmingham Diocesan Board of Finance. This fund continues to be used to provide income for making grants to PCCs for the maintenance or extension of churches, and loans at reduced interest rates for new churches or (more usually) major repair projects.

Church Schools Fund - This fund comprises the accumulated capital proceeds arising from the sale of closed Church Schools. Under section 86 of the 1944 Education Act (now section 554 of the 1996 Act), part or all of the proceeds arising on the sale of closed schools will have been directed to this fund under a Determination Order by the Secretary of State for Education. These proceeds in Birmingham are held under the terms of a Uniform Statutory Trust. The income deriving from the deposits and investments (mainly Common Investment Funds) is applied for the benefit of existing voluntary aided schools by way of grants and/or loans for building projects and repairs.

Action in the City Fund - This fund is the surplus funds raised by churches in the Diocese of Birmingham against the target set to create the endowment fund that set up the Church Urban Fund ("CUF"). CUF was set up in response to the 'Faith in the City' report in the wake

of the social unrest that manifested itself in the England's inner cities in the early 1980s. Its residual capital and income continues to be used to support parishes engaged in community regeneration activities.

Malawi Partnership Fund - This relates to monies raised by individuals and parishes across the Birmingham diocese to provide support to link dioceses and their parishes in Malawi.

Growing Younger Fund(1)-This fund relates to our "Growing Younger" strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to the restricted monies from Church Commissioners and other external funding sources.

St Luke's, Gas Street - Fabric Fund - This fund is the specific donations raised to fund the building works at the Central Resourcing Church at Retort House, Gas Street, Birmingham

St Luke's, Gas Street - Operational Fund - This fund is the specific donations raised to fund the day to day operations of the Central Resourcing Church at Retort House, Gas Street, Birmingham

soul[food] - This fund relates to the monies raised by donations for the **soul[food]** digital media mission initiative.

Unrestricted funds

Houses Fund - This fund is used to fund expenditure on houses owned by the BDBF and used to accommodate parish and diocesan non-beneficed clergy.

Pastoral Fund - The diocesan pastoral fund represents the proceeds of redundant churches. The funds may be used for the acquisition and development of parsonages and other clergy houses and the provision, restoration, improvement and repair of churches once the legal obligations for redundant church buildings vested in the BDBF for disposal are met. When these funds have been used to purchase or improve property this has been charged to the Pastoral Fund in the year of expenditure. Proceeds of sale have been credited as income in the year of receipt. Where the BDBF has used the funds to purchase or improve properties in its corporate capacity, these have been included as fixed assets in these financial statements.

Pensions Reserve - This represents a designated or "earmarked" fund in respect of possible BDBF obligations in respect of pension scheme arrangements.

Transforming Church Fund - This is a designated fund to help with parish growth initiatives.

Growing Younger Fund (2) - This fund relates to our "Growing Younger" strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with

match funding from our own resources. This fund relates to our own resources that we have designated towards the programme.

General Fund - The general fund is the BDBF's unrestricted, undesignated fund available for any of the Board's purposes without restriction.

Details of inter fund transfers in the year are as follows:

	Unrestricted general	Unrestricted designated	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000	£'000
Transforming Church Fund to General Fund 1	100	(100)	-	-	-
Transforming Church Fund to Growing Younger Fund 2	-	(13)	-	-	(13)
	-	13	-	-	13
St Luke's, Gas Street - Fabric Fund to General Fund 3	200	-	(200)	-	-
General Fund to Growing Younger 4	(123)	123	-	-	-
General Fund to Houses Fund 5	(9)	9	-	-	-
General Fund to Parsonages Fund 6	(535)	-	535	-	-
Parsonage Houses Fund to General Fund 7	157	-	-	(157)	-
General Fund to Parsonage Houses Fund 8	(504)	-	-	504	-
TOTAL	(714)	32	335	347	-

1 This represents the support for stipendiary mission costs from the Transforming Church Fund.

2 This represents a match funding contribution towards the Growing Younger Programme from the Transforming Church Fund.

3 This represents the replenishment of the General Fund from the Church Commissioner grant for the unrestricted monies used to purchase the Gas Street property in 2014.

4 This represents agreed match funding support from the General Fund to the Growing Younger Programme.

5 This represents the support from the unrestricted general fund towards the in year net expenditure on the Houses Fund.

6 This represents the support from the unrestricted general fund towards the in year net expenditure on the Parsonages Fund.

7 This represents proceeds on Lozells parsonage that will be used for General Fund mission costs.

8 This represents the transfer of 45 Park Ave from corporate property to parsonage houses.

23. COMMITMENTS

At 31 December 2015 the BDBF had capital commitments of £392,416 which were contracted for but not provided in the financial statements (2014: £553,574). The BDBF had also approved a loan facility of £360,000 for a parish but this had not been drawn down by the parish concerned as at 31 December 2015.

24. PENSION COSTS

Employees – Church Workers Pension Scheme

The BDBF participates in the Church of England Defined Benefits Section ('DBS') of the Church Workers Pension Fund (the Fund), a pension scheme administered by the Church of England Pensions Board to provide benefits to lay employees based on final pensionable salaries. The assets of the fund are held separately from those of the employer. It was agreed that from April 2012 to make all future non clergy pension arrangements through the Pension Builder section of the Church Workers Pension Scheme administered by the Church of England Pensions Board.

The pension cost for the year shown in the financial statements is equal to the total contributions. The total contributions for the year were £37,775 (2014: £64,757). This pension cost represented the

payment of deficit funding contributions into the scheme. A valuation of the fund was carried out as at 31 December 2013. In order to fund its share of the fund deficit the BDBF is having to pay a liability of £99,400 in annual instalments of £64,757 (being £5,396 per month) to 1 August 2015. The liability was extinguished on 1 August 2015.

At 31 December 2015 the BDBF had 0 active members and 29 deferred pensioner members in the Fund.

For eligible salaried employees who commenced employment after 1 January 2006 the BDBF participates in the Church of England Pension Builder Scheme (PBS) within the Church Workers Pension Fund, which is administered by the Church of England Pensions Board.

The PBS is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes. The BDBF

contributes to the Pension Builder Classic section. The Pension Builder Classic provides a pension for members payable from retirement, accumulated from contributions paid and converted into a pension benefit during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonus may also be declared, depending upon the investment returns and other factors.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-

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employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable.

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time. At 31 December 2015, the BDBF had 32 active members, six deferred members and one pensioner in the Pension Builder Classic section.

The pension cost for the year shown in the financial statements is equal to the total contributions. The total contributions for the year were £116,030 (2014: £106,579).

The BDBF also contributes to a Group Personal Pension Plan organised by Friends Life for certain employees. This is defined contribution, money purchase arrangement. The pension cost for the year shown in the financial statements is equal to the total contributions. The total contributions for the year were £465 (2014: £nil).

Stipendiary Clergy

The BDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers. Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2012. Though work has commenced on the 31 December 2015 valuation, the final report and recovery plan is not expected to be finalised until late 2016 and is not formally required to be finalised until 31 March 2017. The 2012 valuation revealed a deficit of £293m, based on assets of £896m and a funding target of

£1,189m, assessed using the following assumptions:

- An investment strategy of:
 - For investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from 10% at 31 December 2012 to 2/3rds by 31 December 2029, with the balance in return-seeking investments; and
 - For investments backing liabilities prior to retirement, a 100% allocation to return seeking investments.
- Investment returns of 3.2% pa on gilts and 5.2% pa on equities;
- RPI inflation of 3.2% pa (and pension increases consistent with this);
- Increase in pensionable stipends 3.2% pa; and
- Post-retirement mortality in accordance with 80% of the S1NFA and SINMA tables, with allowance for future improvements in mortality rates from 2003 in line with the CMI 2012 core projections, with a long term annual rate of improvement of 1.5% for females and males.

Following the valuation of the Scheme as at 31 December 2012, a recovery plan was put in place until 31 December 2025 and the contribution rates (as a percentage of pensionable stipends) were set as follows:

% of pensionable stipends	2015 to 2025	2014
Accrual of future service benefits	25.8%	25.8%
Revaluation to net realisable value	14.1%	12.4%
TOTAL CONTRIBUTION RATE	39.9%	38.2%

Section 28.11A of FRS102 requires the agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below:

	2015	2014
	£'000	£'000
Balance sheet liability at 1 January	4,830	5,035
Deficit contributions paid	(484)	(419)
Interest cost	106	169
Impact of change in discount rate used to value to balance sheet liability	91	45
BALANCE SHEET LIABILITY AS AT 31 DECEMBER 2015	4,543	4,830

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

	Discount rate	Price Inflation	Increase in pensionable payroll
31 December 2013	3.5% pa	3.2% pa	1.7% pa
31 December 2014	2.3% pa	2.7% pa	1.2% pa
31 December 2015	2.5% pa	2.4% pa	0.9% pa

25. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the charity was committed to making the following payments under non-cancellable operating leases:

	Land and buildings 2015	Other 2015	Land and buildings 2014	Other 2014
	£	£	£	£
<i>Operating leases which expire:</i>				
Within one year	145,320	-	133,361	-
Within one to two years	145,320	-	145,320	-
Within two and five years	435,960	-	435,960	-
After five years	252,141	-	397,461	-
	978,741	-	1,112,102	-

The Birmingham Cathedral contributes to the above operating lease commitment in respect of shared offices.

26. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£'000	£'000
NET MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 DECEMBER	2,189	2,260
Depreciation charges	39	37
Dividends, interest and rent from investments	(408)	(577)
Interest on payable loans	17	44
Interest on clergy pensions liability	106	169
Loss / (profit) on sale of fixed assets	(160)	(371)
Decrease / (increase) in debtors	329	(254)
(Decrease) / increase in creditors	(131)	(474)
Change in fair value of investments	(44)	704
Change in fair value of financial instruments - value linked loans	(5)	(65)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,932	595

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	At January 2015	Cash flow	At 31 December 2015
	£'000	£'000	£'000
Cash in hand and at bank	2,607	139	2,746
Cash held on deposit	2,410	168	2,578
	5,017	307	5,324

Cash held on deposit is that with notice of less than 3 months to access.

28. RELATED PARTY TRANSACTIONS

No trustee received any remuneration for services as a director. The trustees received travelling and out of pocket expenses totalling £nil (2014: £nil).

The BDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The BDBF is also responsible for the provision of housing for stipendiary clergy in the diocese, including suffragan bishops but excluding diocesan bishop and cathedral staff. The following table gives details of the trustees who were in receipt of a stipend and housing provided by the BDBF during the year:

	Stipend	Housing
The Bishop of Aston (<i>post vacant until 29 September 2015</i>)	No	Yes
The Archdeacon of Birmingham	Yes	Yes
The Archdeacon of Aston	Yes	Yes
The Revd Canon Martin Stephenson	Yes	Yes
The Revd Canon Freda Evans	Yes	Yes
The Revd Dr Andrew Jolley	Yes	Yes
The Revd John Routh	Yes	Yes
The Revd Nigel Traynor	Yes	Yes
The Revd Priscilla White	Yes	Yes

NOTES TO THE ACCOUNTS

For year ended 31 December 2015 / Company Number: 440966

28. RELATED PARTY TRANSACTIONS (CONTINUED)

The stipend of the Suffragan Bishop was funded by the Church Commissioners. The annual rate of stipend funded by the BDBF, paid to Archdeacons in 2015 was in the range of £33,670 to £34,966 (2014: £33,010 - £34,280) and for other clergy who were trustees the diocesan stipend rate was £24,623 (2014: £24,140).

The Archbishops' Council has estimated the value to the occupant, gross of income tax and national insurance, of church provided housing in 2015 at £9,910 (2014: £9,950).

The BDBF facilitated a Central Board of Finance loan for the Cathedral in October 2015. The balance outstanding on the loan as at 31 December 2015 was £200,000 (2014: £nil).

The Cathedral shares office space with the BDBF and an amount of £23,250 (2014: £23,250) was payable for this space for the year ended 31 December 2015.

The Cathedral paid Common Fund of £40,000 to the BDBF for the year ended 31 December 2015 (2014: £40,000).

As included in Note 8(b), the BDBF has a loan recoverable from its non consolidated subsidiary undertaking Birdbof Properties Limited. This amounted to £268,000 as at 31 December 2015 (2014: £268,000). There is also a current debtor of £4,000 receivable from the subsidiary undertaking as at 31 December 2015 (2014: £6,000). The movement on this current debtor in the year relates to £6,210 of professional fees paid for by the BDBF on behalf of its subsidiary undertaking net of a repayment of £6,460 during the year.

29. FUNDS ADMINISTERED AS AGENT

	2015	2014
	£'000	£'000
Government grants received in respect of school capital projects	1,321	1,888
Contributions from Church School governors for school capital projects	198	190
Total received in	1,519	2,078
Amounts paid out on school capital projects	(1,219)	(2,118)
NET POSITION FOR THE YEAR	300	40

The Board of Education (as incorporated within the Diocesan Board of Finance) receives contributions from governors of church schools in the Diocese in connection with major repair and capital projects to Church Schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as incoming resources or resources expended in the Statement of Financial Activities. Any monies held or due at the balance sheet date are recognised within the balance sheet and contained within the Church School Fund.

30. TRANSITION TO FRS102

This is the first year BDBF has presented its results under FRS102 and SORP2015. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS102 was 1 January 2014. Set out below are a reconciliation of the surplus for the year and the reserves from the amounts previously stated in the 2014 financial statements following the change in accounting policies.

	Unrestricted funds				Total 2014
	Endowment 2014	Restricted 2014	Designated 2014	Undesignated 2014	
	£'000	£'000	£'000	£'000	
RECONCILIATION OF THE NET INCOME FOR THE FINANCIAL YEAR AS PREVIOUSLY STATED TO THAT RESTATED					
Surplus / (deficit) as previously reported (before investment gains)	955	(491)	557	1,389	2,410
Defined benefit pension scheme - clergy	-	-	250	-	250
TOTAL ADJUSTMENT TO NET INCOME	-	-	250	-	250
NET INCOME FOR THE YEAR UNDER FRS102 (BEFORE INVESTMENT GAINS)	955	(491)	807	1,389	2,660

	Unrestricted funds				Total 2014
	Endowment 2014	Restricted 2014	Designated 2014	Undesignated 2014	
	£'000	£'000	£'000	£'000	
RESERVES RECONCILIATION - 1 JANUARY 2014					
As at 1 January 2014 - as previously reported	26,671	5,251	1,238	4,569	37,729
Defined benefit pension scheme - clergy	-	-	(5,035)	-	(5,035)
AS AT 1 JANUARY 2014 - RESTATED	26,671	5,251	(3,797)	4,569	32,694

30. TRANSITION TO FRS102 (CONTINUED)

	Unrestricted funds				Total 2014 £'000
	Endowment 2014	Restricted 2014	Designated 2014	Undesignated 2014	
	£'000	£'000	£'000	£'000	
RESERVES RECONCILIATION – 31 DECEMBER 2014					
As at 31 December 2014 – as previously reported	26,914	5,495	1,645	6,024	40,078
Defined benefit pension scheme – clergy	-	-	(4,830)	-	(4,830)
AS AT 31 DECEMBER 2014 – RESTATED	26,914	5,495	(3,185)	6,024	35,248

Recognition of the liability to fund pension fund deficits on defined benefit pension schemes

FRS 102 requires an entity that has entered into an agreement to reduce the historic deficit on a multi-employer pension scheme, to recognise the liability in accordance with FRS 102 section 28.13 and 28.13A. BDBF has a payment plan with the Church of England Pension's Board to pay the Clergy Pension Scheme deficit over a ten year period (until 2022). Upon transition, BDBF has recognised the present value of deficit funding contributions. As at 31 December 2015, this amounted to £4,543,000 for the Clergy Pension Scheme (2014: £4,830,000).

As explained in note 24, with respect to the Church Workers Pension Scheme for lay workers, the BDBF had already recognised in its financial statements for the year ended 31 December 2014 a liability for the remaining deficit contributions payments of £38,000. This was included within creditors due within 1 year at note 19. Hence no further adjustments are required to the financial statements on transition to FRS102 and SORP 2015. The current deficit contribution payment plan was fulfilled during 2015. As at 31 December 2015, the present value of deficit funding contributions for the Church Workers Pension Scheme was £nil.

31. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES RESTATED

	Restricted funds		Unrestricted funds		Total funds 2014 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds	
	£'000	£'000	£'000	£'000	
INCOME					
<i>Income and endowments from:</i>					
Donations:					
Parish contributions	-	38	-	5,461	5,499
Archbishops' Council	-	-	218	1,739	1,957
Other donations	185	30	-	1,132	1,347
Charitable activities	-	47	-	564	611
Other activities	-	204	50	82	336
Investments	7	176	13	381	577
Other income	326	-	229	-	555
TOTAL INCOME	518	495	510	9,359	10,882
EXPENDITURE ON					
Raising funds	-	38	71	75	184
Charitable activities (including pension credit of £426,000)	7	1,194	(563)	7,891	8,529
Other expenditure	-	6	34	173	213
TOTAL EXPENDITURE	7	1,238	(289)	7,970	8,926
<i>Net income / (expenditure) before investment gains and losses</i>	511	(743)	799	1,389	1,956
Net gains on investments	444	252	8	-	704
NET INCOME / (EXPENDITURE)	955	(491)	807	1,389	2,660
Transfers between funds	(712)	735	(89)	66	-
Other recognised gains / (losses)	-	-	(45)	-	(45)
Gains / (losses) on revaluation of fixed assets	-	-	(61)	-	(61)
NET MOVEMENT IN FUNDS	243	244	612	1,455	2,554
Total funds at 1 January 2014	26,671	5,251	1,238	4,569	37,729
Transitional adjustment – FRS102	-	-	(5,035)	-	(5,035)
TOTAL FUNDS RESTATED AT 1 JANUARY 2014	26,671	5,251	(3,797)	4,569	32,694
TOTAL FUNDS AT 31 DECEMBER 2014	26,914	5,495	(3,185)	6,024	35,248

Note

CONTACTS



PATRICIA ALLEN

☎ 0121 426 0423
✉ PatriciaA
Finance



JO BAGBY

☎ 0121 426 0442
✉ JoB
Community Regeneration / Thrive



NICOLA BOOTH

☎ 0121 426 0402
✉ NicolaB
Support Officer



DEBBIE BROWNING

☎ 0121 426 0442
✉ DebbieB
Community Regeneration / Thrive



MARLYCE BRYAN

☎ 0121 426 0435
✉ MarlyceB
Support Officer



CARA BUTOWSKI

☎ 0121 426 0439
✉ CaraB
Communications



CLAIRE CAREY

☎ 0121 426 0409
✉ ClaireC
Property



JANET CHAPMAN

☎ 0121 262 1840
✉ CanonLiturgist
Birmingham Cathedral



JENNY CHERRY

☎ 0121 426 0404
✉ JennyC
Finance



FAITH CLARINGBULL

☎ 0121 426 0445
✉ DDO
Ordinands



MELANIE CROOKS

☎ 0121 426 0412
✉ MelanieC
Finance



SUSAN CROSTHWAITE

☎ 0121 426 0419
✉ SusanC
Education



CAROL CURRIER

☎ 0121 262 1840
✉ CarolCurrier
Birmingham Cathedral



VAL DALTON

☎ 0121 426 0425
✉ ValD
CIGB



LIZ DUMAİN

☎ 0121 426 0433
✉ LizD
Transforming Church



HANNAH FINDLEY

☎ 0121 262 1853
✉ Hannah.Findley
Birmingham Cathedral



JESSICA FOSTER

☎ 07817 853452
✉ jess@nearneighbours.com
Community Regeneration / Thrive



BEN FRANKS

☎ 0121 426 0446
✉ BenF
HR & Recruitment



PETER FRENCH

☎ 0121 426 0418
✉ PeterF
Education



ANDREW HALSTEAD

☎ 0121 426 0401
✉ AndrewH
Diocesan Secretary



NIGEL HAND

☎ 0121 262 1840
✉ CanonMissioner
Birmingham Cathedral



FIONA HANDSCORN

☎ 07392 196920
✉ FionaH
Communications



JENNY HARRIS

☎ 0121 426 0437
✉ JennyH
Support Officer



RUTH HASSALL

☎ 0121 426 0443
✉ RuthH
Transforming Church



RACHEL HEATHFIELD

☎ 07342 993844
✉ RachelH
Transforming Church



SIMON HEATHFIELD

☎ 0121 426 0428
✉ SimonH
Archdeacon of Aston



DAMIAN HERBERT

☎ 07342 993 845
✉ DamianH
Transforming Church



ANNE HOLLINGHURST

☎ 0121 426 0400
✉ BishopOfAston
Bishop of Aston



AMANDA HOMER

☎ 0121 426 0414
✉ AmandaH
Finance



LIZ HOWLETT

☎ 0121 426 0431
✉ LizH
Lay Development



SUSANNAH IZZARD

☎ 07702 571760
✉ PastoralAdviser
Pastoral Care of Clergy



RHIANNON KING

☎ 0121 426 0420
✉ RhiannonK
Transforming Church



HELENA KITTLE

☎ 07341 733556
✉ HelenaK
Transforming Church



JANET KNOX

☎ 07341 733555
✉ JanetK
Transforming Church



JOYCELYN LEWIS-GREGORY

☎ 0121 426 0444
✉ JoycelynLG
Minority Ethnic Anglicans



JENNY LLOYD

☎ 0121 426 0424
✉ JennyL
Office Support

Birmingham Cathedral staff emails end with @birminghamcathedral.com
 All other emails, unless stated, end with @cofebirmingham.com



ADRIAN MANN

☎ 0121 426 0405
 ✉ AdrianM
Care of Churches



JANE MCARDLE

☎ 0121 262 1840
 ✉ Jane.McArdle
Birmingham Cathedral



HELENA MOSS

☎ 0121 426 0411
 ✉ HelenaM
Transforming Church



GERALD NEMBHARD

☎ 0121 426 0429
 ✉ GeraldN
Support Officer



PHIL NUNNERLEY

☎ 0121 426 0402
 ✉ NicolaB
Chair of Birmingham DBF



NKEM NWACHUKWU

☎ 0121 426 0407
 ✉ NkemN
Safeguarding



CATHERINE OGLE

☎ 0121 262 1840
 ✉ Dean
Birmingham Cathedral



HAYWARD OSBORNE

☎ 0121 426 0441
 ✉ Hayward
Archdeacon of Birmingham



SARAH PACKWOOD

☎ 0121 426 0435
 ✉ SarahP
Support Officer



ANNA PITT

☎ 0121 262 1840
 ✉ Anna.Pitt
Birmingham Cathedral



BEN POFFLEY

☎ 07828 179988
 ✉ BenP
Communications



MARK PRYCE

☎ 0121 426 0430
 ✉ MarkP
Clergy Development



RACHEL RAFTERY

☎ 0121 426 0417
 ✉ RachelR
Education



FRED RATTLEY

☎ 0121 426 0440
 ✉ FredR
Community Regeneration / Thrive



MARY ROSE

☎ 0121 427 1163
 ✉ MaryR
Bishop of Birmingham Staff



SARAH ROSE

☎ 0121 426 0407
 ✉ SarahR
Safeguarding



PETER SELICK

☎ 0121 426 0425
 ✉ PeterS
CIGB



STEVEN SKAKEL

☎ 07970 142140
 ✉ stevenskakel@gmail.com
Chair of House of Laity



JAN SMART

☎ 0121 426 0434
 ✉ JanS
HR



ANDREW SMITH

☎ 0121 426 0426
 ✉ AndrewS
Interfaith



SARAH SMITH

☎ 0121 426 0421
 ✉ SarahS
Education



STEVE SQUIRES

☎ 0121 426 0438
 ✉ SteveS
Communications & Transforming Church



DEBBIE STAMP

☎ 07341 733 557
 ✉ DebbieS
Transforming Church



MARTIN STEPHENSON

☎ 0121 426 0402
 ✉ martin.stephenson@cantab.net
Chair of House of Clergy



JILL STOLBERG

☎ 0121 426 0422
 ✉ Jills
Education



KATE STOWE

☎ 0121 427 1163
 ✉ BishopsChaplain
Bishop of Birmingham Staff



RICHARD TUCKER

☎ 0121 354 5873
 ✉ MalawiOfficer
Malawi Partnership



SARAH TURNER

☎ 0121 426 0442
 ✉ Sarah@thrive-togetherbham.org
Community Regeneration / Thrive



DAVID URQUHART

☎ 0121 427 1163
 ✉ DavidU
Bishop of Birmingham



CLAIRE WESLEY

☎ 0121 426 0432
 ✉ ClaireW
Safeguarding



LIZ WOOD

☎ 0121 262 1840
 ✉ Liz.Wood
Birmingham Cathedral



CHRISTINE WRIGHT

☎ 0121 427 1163
 ✉ ChristineW
Bishop of Birmingham Staff



RUTH YOUNG

☎ 07341 733558
 ✉ RuthY
Transforming Church

GENERAL SYNOD REPRESENTATIVES

Ben Franks
 Revd Canon Catherine Grylls
 Ven Simon Heathfield
 Dr Rachel Jepson
 Geoffrey Shuttleworth
 Revd Canon Priscilla White

CHANCELLOR

Mark Powell QC

REGISTRAR

Hugh Carslake



THE CHURCH OF ENGLAND – BIRMINGHAM

- ☎ 0121 426 0400
- ✉ reception@cofebirmingham.com
- 🌐 cofebirmingham.com
- 🏠 1 Colmore Row, Birmingham B3 2BJ

BISHOP'S CROFT

- ☎ 0121 427 1163
- ✉ ChristineW@cofebirmingham.com
- 🏠 Old Church Road, Harborne, Birmingham B17 0BG
- 🐦 David_Urq

