

Hereford Diocesan Board of Finance

Summarised Annual Group Report & Accounts 2017



— Diocese of —
Hereford
Proclaiming Christ + Growing Disciples

**Company limited by guarantee, registration number
144467**

Charity registration number 249685

The Trustees, who are also Directors for the purposes of company law, present the summary strategic group report and accounts for the year ended 31 December 2017. This summary report is not the statutory annual report and financial statements of the Hereford Diocesan Board of Finance and may not contain sufficient information to allow a full understanding of the financial affairs of the Board.

A copy of the full statutory Group Annual Report & Accounts 2017, including the unqualified report of the independent auditors (under auditors' statement section 496), may be obtained from the Diocesan Office in Hereford.

Registered office: The Diocesan Office, The Palace, Palace Yard, Hereford HR4 9BL

Telephone: 01432 373300

Email: diooffice@hereford.anglican.org

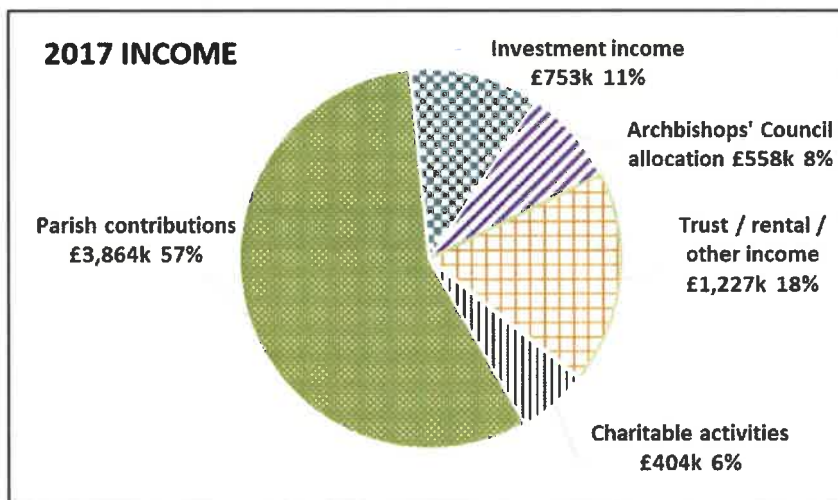
Website: www.hereford.anglican.org

Summary group income & expenditure statement

For the year ended 31 December 2017

Notes on group income:

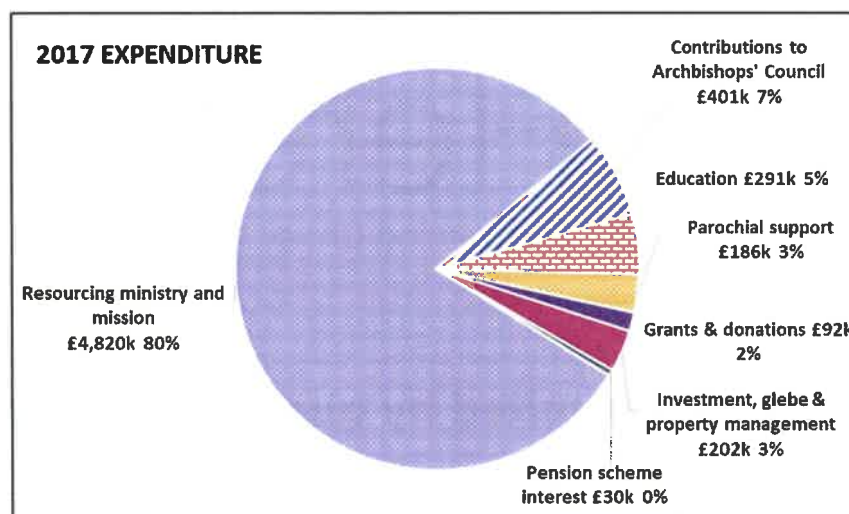
- Parishes contributed 99.4% of the committed Offer (2016: 94% of Parish Share).
- Investment income of £753k was 5% higher than in 2016, due largely to higher land rents.
- Trust, rental and other income was £372k higher than 2016 due to the sale/receipt of UST properties & a one-off historical legacy.



- Charitable activities, represented mostly by parochial fee income of £361k, was 5% lower than in 2016.

Notes on expenditure:

- Resourcing ministry and mission of £4,820k included £3,463k spent on parish ministry (£3,746k incl. pension deficit contributions, being 4.6% below budget due to clergy vacancies), £1,309k on direct support for ministry, and £48k on housing improvements.
- Contributions to Archbishops' Council of £401k were on budget and £20k above 2016 levels.



- Investment, glebe and property management costs of £202k were £44k below 2016 due to a change in accounting policy for land development costs.
- Education support to Church of England schools of £291k was £122k below 2016. 2017 included a grant to The Bishop Anthony Educational Trust of £18k compared to £144k paid in 2016

Unrestricted funds

Overall the statutory accounts show a general fund surplus of £276k for the year before investment gains and losses. However, the statutory accounts treat the pension deficit payments of £283k as a reduction to creditors. Had this been treated as expenditure, the loss would have been £7k. The statutory accounts also include a one-off historical legacy of £212k and other presentational adjustments amounting to £53k. The net of these results is an overall general fund deficit of £166k as reported in the 2017 management accounts, summarised on page 6.

Hereford Diocesan Board of Finance

Independent auditors' statement

To the trustees of the Hereford Diocesan Board of Finance

We have examined the summary financial statements of Hereford Diocesan Board of Finance for the year ended 31 December 2017.

Respective responsibilities of trustees and auditors

The trustees are responsible for preparing the summarised financial statements in accordance with applicable United Kingdom law and the recommendations of the charities SORP. Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full annual financial statements and the Trustees' Annual Report.

We also read the other information contained in the summarised Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements. The other information comprises only of the Income and Expenditure summary based on the Management Accounts.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the full annual financial statements describes the basis of our opinion on those financial statements and on the Trustees' Annual Report.

Opinion on financial statements

In our opinion the summarised financial statements are consistent with the full annual financial statements and the Trustee' Annual Report of the Hereford Diocesan Board of Finance for the year ended 31 December 2017.

We have not considered the effects of any events between 8 May 2018 when we signed our report on the full annual financial statements and the date of this statement.



KEVIN TONG FCCA ACA (Senior Statutory Auditor)

For and on behalf of THORNE WIDGERY ACCOUNTANCY LTD, Statutory Auditor

Unit 2, Wyevale Business Park

Wyevale Way

Stretton Sugwas

HEREFORD

HR4 7BS

Date: 8/5/18

Group statement of financial activities

For the year ended 31 December 2017

	Unrestricted General fund £'000	Restricted funds £'000	Endowment funds £'000	Total 2017 £'000	Total 2016 £'000
Income and endowments from:					
Donations					
Parish share contributions	3,864	-	-	3,864	4,014
Archbishops' Council	439	119	-	558	489
Other donations	364	28	-	392	180
Charitable activities	404	-	-	404	389
Other trading income	264	32	-	296	239
Investment income	581	172	-	753	715
Other income	-	519	20	539	436
Total income and endowments	5,916	870	20	6,806	6,462
Expenditure on:					
Raising funds	107	51	74	232	331
Charitable activities					
Contributions to Archbishops' Council	401	-	-	401	381
Resourcing ministry and mission	4,685	135	-	4,820	4,814
Education	291	-	-	291	413
Parochial support	149	37	-	186	179
Other grants and donations	7	85	-	92	69
Total resources expended	5,640	308	74	6,022	6,187
Net income/(expenditure) before investment gains	276	562	(54)	784	275
Net gains/(losses) on investments	250	416	3,700	4,366	1,858
Net income/(expenditure)	526	978	3,646	5,150	2,133
Transfers between funds	(143)	(140)	283	-	-
Other recognised gains (losses)					
Gains/(losses) on revaluation	240	5,641	139	6,020	-
Actuarial gains/(losses) on defined benefit pension	-	-	(46)	(46)	129
Net movement in funds	623	6,479	4,022	11,124	2,262
Funds brought forward at 1 January	3,930	51,166	13,163	68,259	65,997
Funds carried forward at 31 December	4,553	57,645	17,185	79,383	68,259

All activities derive from continuing activities.

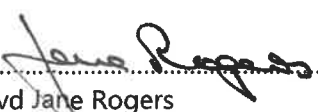
The group financial statements incorporate the financial statements of the Charity (The Hereford Diocesan Board of Finance) and its subsidiary undertaking, the HDBF Uniform Statutory Trust.

Balance sheet: group

As at 31 December 2017

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2017 £'000	Total 2016 £'000
Fixed assets					
Tangible assets	253	51,529	1,384	53,166	46,762
Investments	3,474	5,652	17,173	26,299	22,074
	3,727	57,181	18,557	79,465	68,836
Current assets					
Stocks	3	-	-	3	5
Debtors: amounts falling due within one year	251	21	-	272	266
Debtors: amounts falling due after one year	-	29	-	29	34
Cash at bank & in hand	785	712	547	2,044	1,775
	1,039	762	547	2,348	2,080
Creditors: amounts falling due within one year	(213)	(298)	(298)	(809)	(837)
Net current assets	826	464	249	1,539	1,243
Total assets less current liabilities	4,553	57,645	18,806	81,004	70,079
Creditors: amounts falling after more than one year					
Pension scheme liabilities	-	-	(1,621)	(1,621)	(1,820)
Net Assets	4,553	57,645	17,185	79,383	68,259
Unrestricted funds					
General reserve	4,553	-	-	4,553	3,930
Restricted funds					
Pastoral reserve	-	54,862	-	54,862	48,931
Mission and Ministry reserve	-	35	-	35	47
Ordinands in training reserve	-	(3)	-	(3)	-
Grants fund reserve	-	19	-	19	-
Uniform Statutory Trust	-	2,732	-	2,732	2,188
Endowment funds					
Diocesan stipends reserve	-	-	17,185	17,185	13,163
Reserves	4,553	57,645	17,185	79,383	68,259

These accounts were approved by the directors of the Hereford Diocesan Board of Finance and authorised for issue on 8 May 2018 and signed on their behalf by:

.....

 Revd Jane Rogers
 Chairman

Income & expenditure summary – unrestricted funds (per management accounts)

For the year ended 31 December 2017

	2017 BUDGET £	2017 ACTUAL £	VARIANCE %	2016 ACTUAL £
Incoming resources				
Donations:				
Parish contributions	3,845,400	3,863,460	0.5 %	4,013,848
Archbishops' Council	441,100	439,231	(0.4)%	449,037
Other grants & donations	120,700	141,120	16.9 %	150,786
Charitable activities	362,400	360,582	(0.5)%	381,469
Other trading income	182,800	254,918	39.5 %	197,529
Investment income - glebe	405,400	471,928	16.4 %	473,134
- dividends and interest	113,300	112,436	(0.8)%	102,302
Total incoming resources	5,471,100	5,643,675	3.2 %	5,768,105
Resources expended*				
Cost of raising funds				
Investment & rental mgt costs	62,300	78,126	(25.4)%	90,050
Charitable activities:				
Contributions to Archbishops' Council	396,900	396,937	(0.0)%	377,362
Resourcing ministry and mission	4,825,800	4,567,209	5.4 %	4,560,320
Education (net of income & UST transfer)	200,900	140,751	29.9 %	316,796
Parochial support	118,300	112,581	4.8 %	110,018
Grants and donations	7,600	7,600	-	7,852
Other resources expended				
Diocesan support costs	444,400	434,336	2.3 %	438,004
Governance, Synod & professional fees	71,200	72,447	(1.8)%	95,455
Total resources expended	6,127,400	5,809,987	5.2 %	5,995,857
Net outgoings before investment gains and losses & one-off items	(656,300)	(166,312)	74.7 %	(227,752)
Reconciliation to statutory accounts				
One-off historical legacy income		212,243		
Adjustment for treatment of dividend income		(3,345)		
Regular UST donation shown as a transfer in the statutory a/c's		(50,000)		(36,000)
Pension deficit payments shown as a reduction in pension creditor in the statutory a/c's		283,000		280,000
Net income before investment gains and losses as per the statutory accounts		275,586		16,248

*The statutory accounts re-analyse support costs across all expenditure headings, whereas the management accounts show support costs separately. This gives rise to differences between the amounts reported under each expenditure heading.