

Hereford Diocesan Board of Finance

Summarised Annual Group Report & Accounts 2018



— 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 2018. 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 2018, 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

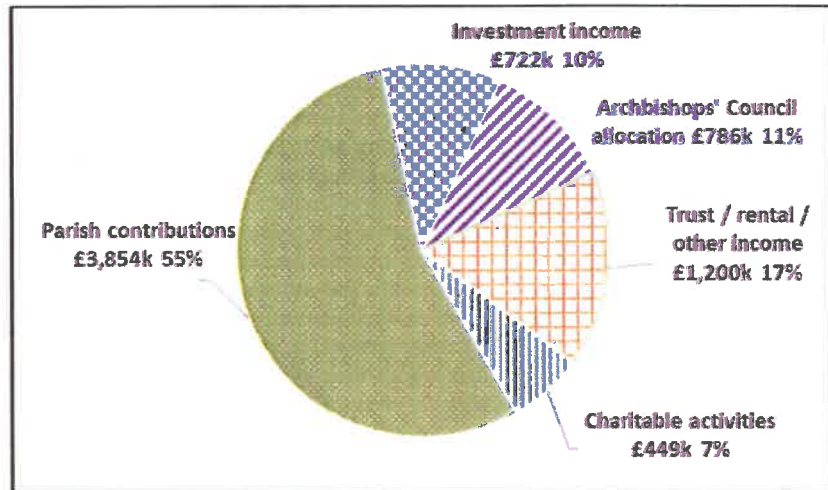
For the year ended 31 December 2018

Notes on group income:

- Parishes contributed 99.2% of the committed Offer (2017: 99.4%).

- Investment income of £722k was 4% less than in 2017, due largely to falling dividend income.

- Trust, rental and other income is largely made up from grant income for projects of £369k (2017 £28k), rental income of £320k (2017 £287k), sales/receipts of UST properties of £292k (2017: £502k), and in 2017, a legacy of £212k.

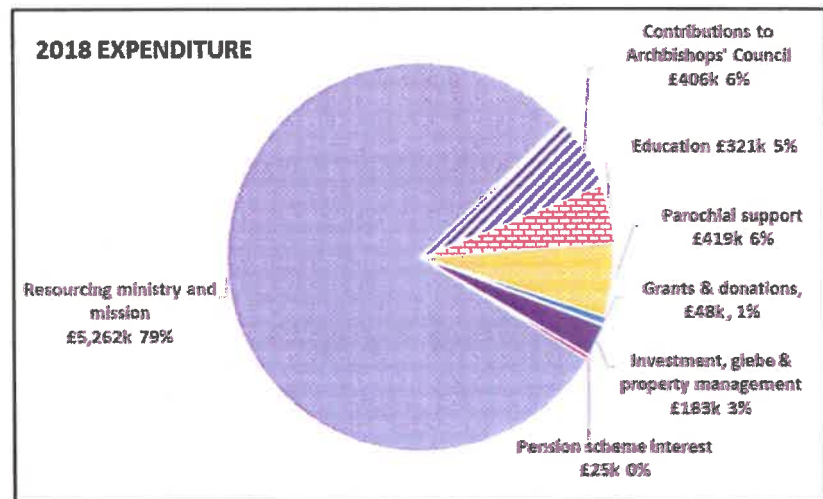


- Charitable activities, represented by parochial fee income of £386k (2017: £361k) and educational activities of £63k (2017: £43k), was 11% higher than in 2017.

Notes on expenditure:

- Resourcing ministry and mission of £5,262k (2017: £4,820) included £3,564k spent on parish ministry and £1,603k on direct support for ministry (£294k higher than 2017 due largely to grant funded expenditure).

- Contributions to Archbishops' Council of £406k were on budget and £9k above 2017 levels (before support costs).



- The cost of education support to Church of England schools of £321k was £30k above 2017. This rise was due largely to a change in the allocation of overheads to the education department.

Unrestricted funds

Overall the statutory accounts show a general fund deficit of £136k for the year before investment gains and losses. However, the statutory accounts treat the pension deficit payments of £236k as a reduction to creditors. Had this been treated as expenditure, the loss would have been £372k. The statutory accounts also include other presentational adjustments amounting to £66k. The net of these results is an overall general fund deficit of £306k as reported in the 2018 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 2018.

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 2018.

We have not considered the effects of any events between 20 June 2019 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: 20 June 2019

Group statement of financial activities

For the year ended 31 December 2018

	Unrestricted General fund £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:					
Donations					
Parish share contributions	3,854	-	-	3,854	3,864
Archbishops' Council	429	357	-	786	558
Other donations	129	375	-	504	392
Charitable activities	449	-	-	449	404
Other trading income	301	19	-	320	296
Investment income	563	159	-	722	753
Other income	-	376	-	376	539
Total income and endowments	5,725	1,286	-	7,011	6,806
Expenditure on:					
Raising funds	108	44	56	208	232
Charitable activities					
Contributions to Archbishops' Council	406	-	-	406	401
Resourcing ministry and mission	4,825	437	-	5,262	4,820
Education	321	-	-	321	291
Parochial support	194	225	-	419	186
Other grants and donations	7	41	-	48	92
Total resources expended	5,861	747	56	6,664	6,022
Net income/(expenditure) before investment gains	(136)	539	(56)	347	784
Net gains/(losses) on investments	(254)	(418)	(556)	(1,228)	4,366
Net income/(expenditure)	(390)	121	(612)	(881)	5,150
Transfers between funds	(186)	(50)	236	-	-
Other recognised gains (losses)					
Gains/(losses) on revaluation	-	-	-	-	6,020
Actuarial gains/(losses) on defined benefit pension	-	-	84	84	(46)
Net movement in funds	(576)	71	(292)	(797)	11,124
Funds brought forward at 1 January	4,553	57,645	17,185	79,383	68,259
Funds carried forward at 31 December	3,977	57,716	16,893	78,586	79,383

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 2018

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000	Total 2017 £'000
Fixed assets					
Tangible assets	254	50,801	1,740	52,795	53,166
Investments	2,984	5,853	16,415	25,252	26,299
	3,238	56,654	18,155	78,047	79,465
Current assets					
Stocks	3	-	-	3	3
Debtors: amounts falling due within one year	227	79	-	306	272
Debtors: amounts falling due after one year	-	25	-	25	29
Cash at bank & in hand	755	1,071	370	2,196	2,044
	985	1,175	370	2,530	2,348
Creditors: amounts falling due within one year	(246)	(113)	(264)	(623)	(809)
Net current assets	739	1,062	106	1,907	1,539
Total assets less current liabilities	3,977	57,716	18,261	79,954	81,004
Creditors: amounts falling after more than one year					
Pension scheme liabilities	-	-	(1,368)	(1,368)	(1,621)
Net Assets	3,977	57,716	16,893	78,586	79,383
Funds					
Unrestricted income fund	3,977	-	-	3,977	4,553
Restricted income funds	-	57,716	-	57,716	57,645
Endowment funds	-	-	16,893	16,893	17,185
Reserves	3,977	57,716	16,893	78,586	79,383

These accounts were approved by the directors of the Hereford Diocesan Board of Finance and authorised for issue on 17 June 2019 and signed on their behalf by:


 Revd Jane Rogers
 Chairman

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

For the year ended 31 December 2018

	2018 BUDGET £'000	2018 ACTUAL £'000	VARIANCE %	2017 ACTUAL £'000
Incoming resources				
Donations:				
Parish contributions	3,845	3,854	0.2 %	3,864
Archbishops' Council	429	429	-	439
Other grants & donations	124	129	4.0 %	141
Charitable activities	380	386	1.6 %	361
Other trading income	197	319	61.9 %	255
Investment income - glebe	438	455	3.9 %	472
- dividends and interest	122	124	1.6 %	112
Total incoming resources	5,535	5,696	2.9 %	5,644
Resources expended*				
Cost of raising funds				
Investment & rental mgt costs	62	91	(46.8)%	78
Charitable activities:				
Contributions to Archbishops' Council	405	405	-	397
Resourcing ministry and mission	4,688	4,714	(0.6)%	4,567
Education (net of income & UST transfer)	152	125	17.8 %	141
Parochial support	129	142	(10.1)%	113
Grants and donations	4	7	(75.0)%	8
-	-	-		
Other resources expended				
Diocesan support costs	429	445	(3.7)%	434
Governance, Synod & professional fees	85	73	14.1 %	72
Total resources expended	5,954	6,002	(0.8)%	5,810
Net outgoings before investment gains and losses & one-off items	(419)	(306)	27.0 %	(166)
Reconciliation to statutory accounts				
One-off historical legacy income				212
Adjust for treatment of dividend income on Total Return basis		(16)		(3)
Regular UST donation shown as a transfer in the statutory a/c's		(50)		(50)
Pension deficit payments shown as a reduction in pension creditor in the statutory a/c's		236		283
Net income before investment gains and losses as per the statutory accounts		(136)		276

*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.