

**REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

**FOR**

**WORCESTER DIOCESAN SITES AND BUILDINGS FUND**

**A REGISTERED CHARITY NUMBER 1108759**

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**FOR THE YEAR ENDED 31 DECEMBER 2007**

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**WORCESTER DIOCESAN SITES AND BUILDINGS FUND**  
**A REGISTERED CHARITY NUMBER 1108759**

**TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2007**

The trustees present their report with the financial statements of the trust for the year ended 31 December 2007. The financial statements comply with the current statutory requirements, the SORP 2005 and the charity's governing document.

**Governance**

The charity is registered with the Charity Commission (Number 1108759) and its governing document is pursuant to a trust deed dated 18 August 1922, as affected by schemes dated 14 June 1927, 26 August 1930, 18 December 1980 and 3 March 2005.

**Trustees**

The charity was administered during the year by the trustees comprising of:

The Right Reverend Dr J G Inge (Appointed 20.11.07)	
The Right Reverend Dr P S M Selby (Resigned 30.09.07)	The Right Reverend D S Walker
The Venerable Dr J D Tetley	The Venerable F M Trethewey
R W Higham	The Very Reverend P Atkinson
D Williams-Thomas	R L Harris

Other than Ex-officio trustees, new trustees are appointed by the current trustees. The trustees are given a full and substantive overview of their duties and responsibilities by the Diocesan Registrar. Training is updated as and when required.

**Principal Addresses**

The charity operates from The Old Palace, Deansway, Worcester WR1 2JE.  
The bankers are Lloyds TSB Plc, 4 The Cross, Worcester WR1 3PY.  
The independent examiner is J A Yelland, 22 Sansome Walk, Worcester WR1 1LS.  
The solicitor is March & Edwards, 8 Sansome Walk, Worcester WR1 1LW.  
The investment advisers are CCLA Investment Management Limited, 80 Cheapside, London EC2V 6DZ.

**Objects and Activities**

The object of the charity is to provide loans from capital and income for:

- a) the purchase of sites and the building of mission rooms and churches, church halls, institutes and parsonage houses
- b) the restoration of churches and church halls
- c) the enlargement of churchyards
- d) the building, enlargement or restoration of Sunday Schools and Anglican Church Schools

Within objects a to d the trustees' practice hitherto has been to focus on providing loans for the improvement and maintenance of church buildings.

- e) the payment of grants out of income for the maintenance of licensed curates to be placed in charge of Mission Rooms or Churches which have been provided otherwise than with the aid of the fund. Or for maintenance of clergy and/or accredited lay workers involved in the development of mission in the Diocese of Worcester and licensed for such purposes by the Bishop and whether or not using for those purposes such Mission Rooms or Churches.

**Organisation**

The charity is controlled by the Board of Trustees who have regular meetings to review the implementation of its objects. The objects are carried out by the administration staff employed by Worcester Diocesan Board of Finance Limited and managed by the Diocesan Secretary, R W Higham Esq.

**WORCESTER DIOCESAN SITES AND BUILDINGS FUND**  
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**TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2006** (Continued)

**Investment Policy**

The trustees have agreed, after taking advice, that the assets of the charity should be invested in equities and fixed interest funds to protect the long term capital growth. The trustees have invested £126,434 in CBF Fixed Interest Securities Fund Income Shares giving a return of 5.63% (2006 – 5.55%) with a decrease in the capital value of 1.4% (2006 – 2.73% growth) and £364,657 in CBF Investment Fund Income Shares giving a return of 3.18% (2006 – 3.02%) and capital growth of 2.5% (2006 – 10.4%).

**Achievements and Performance**

The accounts for the year ended 31 December 2007 showed a deficit of £30,239 (2006 - £16,440 surplus). New loans of £90,000 (2006 - £92,800) have been provided for five parishes during the year. The trustees report that during the year ended 31 December 2007, income was £22,613 (2006 - £22,698). Expenditure for the year was £52,852 (2006 - £6,258) of which £52,558 was a grant to Worcester Diocesan Board of Finance Limited for maintenance of clergy and accredited lay workers. The market value of the investments increased by £7,118 (2006 - £27,611) and the net decrease in reserves was £23,121 (2006 – £44,051 increase).

**Reserves Policy**

The trustees' policy on reserves is to maintain sufficient cash reserves to provide funding for loans and grants for the foreseeable future. Unrestricted reserves have decreased by £31,309 (2006 - £12,897 increase) to £238,732 at 31 December 2007. The unrestricted reserves are invested to generate income for funding additional loans, and finance grants to curates in charge of mission churches. The trustees consider that there are sufficient cash reserves to continue providing funding for sites and building loans and grants for Curates in charge of Mission Churches for the foreseeable future.

**Risk Policy**

The trustees regularly review the major risks to which the charity might be exposed and systems or procedures have been established to manage those risks.

**Trustees Responsibilities**

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charity Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**The Right Reverend D S Walker**

**Date:**

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF**

### **WORCESTER DIOCESAN SITES AND BUILDINGS**

I report on the accounts of the Trust for the year ended 31 December 2007 which are set out on pages 4 to 6.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees, you are responsible for the preparation of the accounts, you consider that the audit requirement of Section 43(2) of the Charities Act 1993 (the Act) does not apply. It is my responsibility to state, on the basis of procedure specified in the General Directions given by the Charity Commissioners under Section 43(7)(b) of the Act, whether particular matters have come to my attention.

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

#### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention.

1. which gives me reasonable cause to believe that in any material respect, the requirements
  - to keep accounting records in accordance with Section 41 of the Act; and
  - to prepare accounts which accord with accounting records and to comply with the accounting requirements of the Act.have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**J AYelland**  
**Chartered Accountant**  
**22 Sansome Walk**  
**Worcester**  
**WR1 1LS**

**Dated:**

**WORCESTER DIOESAN SITES AND BUILDINGS FUND**  
**A REGISTERED CHARITY NUMBER 1108759**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b><u>Unrestricted</u></b> <b><u>Fund</u></b>	<b><u>Permanent</u></b> <b><u>Endowment</u></b> <b><u>Fund</u></b>	<b><u>Total</u></b> <b><u>Fund</u></b>	<b><u>2006</u></b>
<b><u>Incoming Resources</u></b>				
<b>Incoming resources from generated funds</b>				
Loan interest	498	-	498	797
UK Investment Income				
- Dividend	18,734	-	18,734	17,863
- Interest	3,381	-	3,381	4,038
	-----	-----	-----	-----
<b><u>Total Incoming Resources</u></b>	<b>22,613</b>	<b>-</b>	<b>22,613</b>	<b>22,698</b>
	=====	=====	=====	=====
<b><u>Resources Expended</u></b>				
<b>Charitable Activities</b>				
Worcester Diocesan Board of Finance				
- Maintenance of clergy and accredited lay workers	52,558	-	52,558	6,000
<b>Governance Costs</b>				
Independent Examiner's fee	294	-	294	258
	-----	-----	-----	-----
<b><u>Total Resources Expended</u></b>	<b>52,852</b>	<b>-</b>	<b>52,852</b>	<b>6,258</b>
	=====	=====	=====	=====
<b><u>Net Incoming/(Outgoing) Resources for the Year</u></b>	<b>(30,239)</b>	<b>-</b>	<b>(30,239)</b>	<b>16,440</b>
<b>Other Recognised Gains and Losses</b>				
Unrealised Gains/(Losses) on Investments Assets	(1,070)	8,188	7,118	27,611
	-----	-----	-----	-----
<b><u>Net Movement in Funds</u></b>	<b>(31,309)</b>	<b>8,188</b>	<b>(23,121)</b>	<b>44,051</b>
<b><u>Reconciliation of Funds</u></b>				
<b>Total funds brought forward at 1 January 2007</b>	<b>270,041</b>	<b>407,563</b>	<b>677,604</b>	<b>633,553</b>
	-----	-----	-----	-----
<b>Total funds carried forward at 31 December 2007</b>	<b>238,732</b>	<b>415,751</b>	<b>654,483</b>	<b>677,604</b>
	=====	=====	=====	=====

**WORCESTER DIOCESAN SITES AND BUILDINGS FUND**  
**A REGISTERED CHARITY NUMBER 1108759**

**BALANCE SHEET AS AT 31 DECEMBER 2007**

	<b><u>Unrestricted Fund</u></b>	<b><u>Permanent Endowment Fund</u></b>	<b><u>Total Fund</u></b>	<b><u>2006</u></b>
<b><u>FIXED ASSETS (Note 5)</u></b>				
<b>Investments</b>				
48,208.30 Central Board of Finance Fixed Interest Securities Fund – Income Shares	75,340	-	75,340	76,410
32,694.00 Central Board of Finance Fixed Interest Securities Fund – Income Shares	-	51,094	51,094	51,820
29,036 Central Board of Finance Investment Fund – Income Shares	-	364,657	364,657	355,743
	----- 75,340 =====	----- 415,751 =====	----- 491,091 =====	----- 483,973 =====
<b><u>CURRENT ASSETS</u></b>				
Debtors - Parish loans (Note 6)	89,633	-	89,633	140,467
Central Board of Finance - Deposit account	44,280	-	44,280	57,871
Cash at Bank	88,330	-	88,330	1,569
	----- 222,243 =====	----- - =====	----- 222,243 =====	----- 199,907 =====
<b><u>LIABILITIES</u></b>				
Creditors: Amounts falling due within one year (Note 7)	58,851 =====	- =====	58,851 =====	6,276 =====
<b><u>NET CURRENT ASSETS</u></b>	163,392 =====	- =====	163,392 =====	193,631 =====
<b><u>NET ASSETS</u></b>	238,732 =====	415,751 =====	654,483 =====	677,604 =====
<b><u>THE FUNDS OF THE CHARITY</u></b>				
Unrestricted Income Fund	238,732	-	238,732	270,041
Permanent Endowment Fund	-	415,751	415,751	407,563
<b><u>TOTAL CHARITY FUNDS</u></b>	----- 238,732 =====	----- 415,751 =====	----- 654,483 =====	----- 677,604 =====

Trustee: The Right Reverend D S Walker

Approved by the Trustee on

**WORCESTER DIOCESAN SITES AND BUILDINGS FUND**  
**A REGISTERED CHARITY NUMBER 1108759**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

1. **ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared under the historic cost basis of accounting except for investments which have been included at revalued amounts, in accordance with applicable accounting standards, Statement of Recommended Practice 2005, the Charities Act and the governing document.

**Investments**

Investments are shown at current open market value. The realised gains and unrealised gains are included in the Statement of Financial Activities in the period arising.

**Recognition of Liabilities**

Liabilities are recognised using the accruals concept.

**Funds Structure**

The unrestricted income fund has arisen from accumulated net incoming resources.

The permanent endowment fund represents capital held in CBF shares for the purpose of generating unrestricted income which can be used for the purposes of the fund. The income arising thereon is unrestricted.

2. The trustees, or any person connected with them, have not received any remuneration or reimbursement of expenses during the year.
3. The trust has no employees.
4. Payment to the Independent Examiner during the year was:

	<u>2007</u>	<u>2006</u>
Cost of external scrutiny	294	258
	=====	=====

5. Fixed asset UK investments

	<u>Unrestricted Fund</u>	<u>Permanent Endowment Fund</u>	<u>Total</u>
	£	£	£
<b>Carrying Value (Market Value)</b>			
At 1 January 2007	76,410	407,563	483,973
Net Gain/(Loss) on Revaluation	(1,070)	8,188	7,118
	-----	-----	-----
<b><u>At 31 December 2007</u></b>	<u>75,340</u>	<u>415,751</u>	<u>491,091</u>
	=====	=====	=====

6. The debtors of £89,633 represent loans owing from twelve parishes (2006 - thirteen parishes) in the Diocese of Worcester who are bodies which contribute to the funding of the Worcester Diocesan Board of Finance Limited.

**WORCESTER DIOCESAN SITES AND BUILDINGS FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006** (Continued)

6.	Continued		
	Loan balances at 31 December 2007:	<b><u>2007</u></b>	
	Far Forest	8,000	
	Hartlebury	1,200	
	Worcester All Saints	2,000	
	Worcester St Barnabas	1,200	
	Lower Teme Valley	3,333	
	Upton Warren	2,500	
	Elmley Lovett	5,866	
	Worcester St George	16,000	
	Shrawley with Witley	5,000	
	Broadwas	13,334	
	Welland	11,200	
	Severn Stoke	20,000	
		-----	
		89,633	
		=====	
7.	Creditors falling due within one year:	<b><u>2007</u></b>	<b><u>2006</u></b>
	Accruals – Independent Examiner	294	276
	Clergy and accredited lay workers maintenance	58,557	6,000
		-----	-----
		58,851	6,276
		=====	=====

8. **Commitments**

The trustees have agreed to fund the costs of church appointments as follows:

Community Priest at Malvern St. Mary's for three years – estimated cost £32,800 per annum.  
(Starting 5 November 2006)

Church Army Worker at Charford for three years – estimated cost £25,954 per annum.  
(Position not appointed).

Lay Pastor at Ipsley Team for three years – estimated cost £17,000 per annum.  
(Starting 1 January 2007).

The estimated cost of the Community Priest at Malvern St. Mary's and the Lay Pastor at Ipsley for the year ended 31 December 2007 is £52,557 and this has been reserved as an accrual in the Balance Sheet as at 31 December 2007.

9. The balance on the Unrestricted Income Fund at 31 December 2007 was £238,732 (2006 - £270,041). The fund has arisen from accumulated income and is held in Central Board of Finance Deposit Account, Shares, Debtors and an interest bearing bank account. The trustees consider that sufficient funds are held to finance its objects and activities.

The balance on the Permanent Endowment Fund at 31 December 2007 was £415,751 (2006 - £3,407,563). The capital is permanent endowment and the income arising therein is unrestricted and can be used for the purposes of the fund. The fund is held in Central Board of Finance Shares.