

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

FOR

WORCESTER DIOCESAN BOARD OF FINANCE LIMITED TRUST FUNDS

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FOR THE YEAR ENDED 31 DECEMBER 2007

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WORCESTER DIOCESAN BOARD OF FINANCE LIMITED TRUST FUNDS

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

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

Governance

The trustees must act in accordance with the governing document of each trust fund administered.

Trustees

The trusts were administered during the year by the trustees, by power of the Worcester Diocesan Board of Finance Limited delegation to its Trust Committee in 1934, comprising of:

| | |
|---|-------------------------------|
| 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 |

New trustees are appointed by the trustees.

Principal Addresses

The trusts operate 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 solicitors are March & Edwards, 8 Sansome Walk, Worcester WR1 1LW.

The investment advisers are CCLA Investment Management Limited, 80 Cheapside, London EC2V 6DZ.

Objects and Aims

The object of the trusts is to administer funds on behalf of religious trusts in the Diocese of Worcester.

Organisation

The trusts are 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.

Investment Policy

The trustees' investment policy is to invest in equities and property shares to give a high return and long term capital growth. The shares invested in CBF Investment Fund Income Shares give a return of 3.18% (2006 - 3.02%) and capital growth of 2.5% (2006 - 10.4%). The shares invested in CBF Fixed Interest Securities Fund shares give a return of 5.63% (2006 - 5.55%) and capital decrease of 1.8% (2006 - 4.4% decrease). The shares invested in CBF Property Fund Shares give a return of 4.46% (2006 - 4.68%) and capital decrease of 3.13% (2006 - 15.6% growth).

Main Activities and Achievements

The activities of the trust during the year were to manage and administrate funds on behalf of various trusts in accordance with the individual trust details.

Reserves Policy

The trustee's policy on reserves is to maintain sufficient cash reserves to provide funding for grants for the foreseeable future. The trustees consider that there are sufficient cash reserves to continue providing funding for grants 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.

The Right Reverend D S Walker - Trustee

Date:

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF

WORCESTER DIOCESAN BOARD OF FINANCE LIMITED TRUST FUNDS

I report on the accounts of the Trusts for the year ended 31 December 2007 which are set out on pages 3 to 6.

Respective responsibilities of trustees and examiner

As trustees you are responsible for the preparation of the accounts; you consider that an audit is not required. I have been asked by the Trustees to state, on the basis of the procedure specified in the General Directions given by the Charity Commissioners under Section 43 (7)(b) of the Charities 1993 (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 trust 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

I have inspected a selected number of deeds of freehold properties held at 31 December 2007 as Custodian Trustees by the Worcester Diocesan Board of Finance Limited Trust Committee and by the Trustees of the Worcester Diocesan Trust Registered. I can confirm that those deeds inspected were in the names of the respective Trustees and that they appeared, from my inspection, to be in order. This inspection did not confirm the legal right to title or the technicalities of the deeds themselves, neither did it ensure that substitute documents of title had not been prepared. I report that the deeds were well and securely kept and there was an up to date and comprehensive index thereof. As a result of my inspection there are no matters which I wish to report to the Trustees.

With regard to the Schools, I have relied upon the Orders in Council and have not inspected the deeds themselves. I am informed that these are still in the original names and have not been transferred into the names of the Trustees of the Trust Registered or the Worcester Diocesan Board of Finance.

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 A Yelland
Chartered Accountant
22 Sansome Walk
Worcester
WR1 1LS

WORCESTER DIOCESAN BOARD OF FINANCE LIMITED TRUST FUNDS

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

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable accounting standards, Statement of Recommended Practice 2005 and the governing document.

Investments

Investments are shown at current open market value.

Grants and Legacies

Grants are recognised when details of income and expenditure are known or authorised.

2. The trustees, or any person connected with them, have not received any remuneration or reimbursement of expenses during the year.
3. The trusts have no employees.
4. The Mary Bottjer Trust is restricted to providing income for expenditure on the advancement of religion by the maintenance of the present building known as Hallow Church and in the event of such building ceasing to be used as a place of Christian worship then, and only then, to the National Trust for the maintenance of places of Christian worship in their ownership. The fund is held in CBF Shares as a permanent endowment. The market value of the share at 31 December 2007 was £88,244 (2006 - £83,882). The fund also has a restricted CBF Deposit Account with a balance at 31 December 2007 of £11,478 (2006 - £7,824).
5. The ACUPA Fund is restricted to providing income for expenditure in urban priority area. The fund was fully paid out during the year and the balance at 31 December 2007 was nil (2006 - £961).
6. The Broken Rites Fund is a designated fund to provide income for the support of partners of clergy after separation or divorce. The fund is held in a CBF Deposit Account and the balance at 31 December 2007 was £19,261(2006 - £13,111).
7. The Lye Church Estate Fund is restricted and provides income for stipends. The fund is held in 14,239.57 CBF Investment Fund Income Share as permanent endowment. The market value of the shares at 31 December 2007 was £178,832 (2006 - £174,460).
8. The Queen Victoria Clergy Fund is restricted to providing income for grants for special needs to clergy in the Diocese of Worcester. The fund is held in a CBF Deposit Account and the balance at 31 December 2007 was £25,346 (2006 - £23,316).
9. The In Service Training Fund is restricted to providing income for training. The fund is held in 1,292 CBF Investment Fund Income Shares as permanent endowment. The market value of the shares at 31 December 2007 was £16,226 (2006 - £15,829).

