

Financial Statements 2018

Canon Simon Harper (Chair of the Board of Finance)
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growing church bringing hope

Our vision for growing church bringing hope expresses a deep longing to see our worshipping communities growing in numbers, in prayer and discipleship, in serving our communities, and above all in making a difference – sharing the hope we have, which is the power of God to transform us and our world

OF ENGLAND

DIOCESE OF NEWCASTLE







Statement of Financial Income from Parish contributions 4.492.126 4.492.126 4.546.961 1,318,246 1,429,192 **Activities** Other donations 461,492 115.243 576,735 519.738 421,830 Other activities 237,115 237,115 221,429 549,067 • Total income £7.3M, 7.170.602 126,339 7.296,941 7.723.384 an increase of £123k over 2017 Raising funds (84,029) (54, 152) (after excluding income from the sale of a property in 2017) Charitable activities (6,325,350) (122.849) (6,448,199) (7,077,948) (7,132,100) • Total expenditure of £6.5M, down from £7.1M in 2017 ning/(outgoing) resources before investment gains 761.223 3,490 764.713 591.284 (27,222) (14,873) • Of the reduction in expenditure £690k relates to the reduction Net income/(expenditure) 734.301 3,490 (14.873) 722.918 823,651 in the pension liability 2,968 (2,968)• "Underlying" result is a deficit of Net movement in funds 737.269 (14,873) 722,918 823,651 £123k Total funds brought forward 7.054.091 1.650.801 13.219.933 21.924.825 21.104.174 Total funds at 31 December 2018 1,651,323 13,205,060 22,647,743

Reduction in pension creditor

- Statutory accounts require us to recognise our liability to pay pensions
- Assets are recognised based on their value as at 31 December each year
- Liabilities are recognised based on their "fair value" as at 31 December each year
- Fair value attempts to take into account factors such as;
 - Forecast inflation rates
 - · Forecast changes in stipend
 - Longevity
 - Etc
- Changes in these assumptions result in a change in the liability
- BUT THESE CHANGES DO NOT CHANGE OUR CASHFLOW IN THE SHORT TERM AND THEREFORE THE £690K IS NOT AN INCREASE IN CASH







Net assets

- As at the end of the year the net assets of the DBF totaled £22.6M
- Of these assets £1.9M relates to General Funds

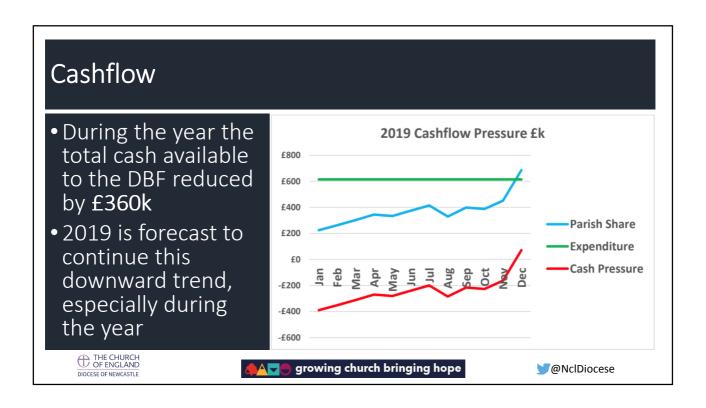
Total funds	20	22,647,743	21,924,825
£201,270 (2017: £208,362)			
Including revaluation reserve:			
Designated funds		5,872,235	5,802,699
£182,946 (2017: £203,076)			
Including revaluation reserve:			
General funds		1,919,125	1,251,392
Unrestricted income funds:			
Restricted income funds		1,651,323	1,650,801
£347,847 (2017: £362,720)			
Including revaluation reserve:			
Endowment funds		13,205,060	13,219,933

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Summary

- The accounts reflect the position of the DBF as at 31 December 2018
- Whilst they show a surplus, the underlying (cash) result is a deficit
- Work is being carried out to review and control costs but the majority of costs are people costs
- 2019 budget significantly reduced the requested amount of parish share but the contributions received to date would indicate that despite the reduction the level of collection may fall short of this target
- During 2019 the reduction in cash reserves will continue
- We have assets but we can only sell them once







The Chair of the Board of Finance to propose: that the Financial Statements for the year ending 31st December 2018 be received

THE CHURCH OF ENGLAND DIOCESE OF NEWCASTLE



