

Church of Ireland Pensions Board – Report 2009

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
FUND ACCOUNT **YEAR ENDED 31 DECEMBER 2008**
FINANCIAL STATEMENTS **PAGE 11**

CONSOLIDATED FUND			
	Notes	2008	2007
		€000	€000
CONTRIBUTIONS AND OTHER RECEIPTS			
Contributions receivable	3	4,492	4,728
		_____	_____
BENEFITS AND OTHER PAYMENTS			
Benefits payable	4	6,585	7,093
Administrative expenses payable to the Trustee		146	200
		_____	_____
		6,731	7,293
		_____	_____
CONTRIBUTIONS LESS BENEFITS		(2,239)	(2,565)
		_____	_____
INVESTMENT RETURN FOR THE YEAR			
Investment income	5	254	3,057
Realised and unrealised investment (loss)		(40,464)	(7,266)
Currency translation adjustment		(1,513)	(5,010)
Investment management expenses		(72)	(257)
		_____	_____
		(41,795)	(9,476)
		_____	_____
NET (DECREASE) IN FUND FOR YEAR		(44,034)	(12,041)
BALANCE 1 JANUARY		121,279	133,320
BALANCE 31 DECEMBER		77,245	121,279
		=====	=====

The Fund has no recognised gains or losses other than those dealt with in the Fund Account.

Signed on behalf of the Trustee: *S Gamble*

DG Perrin

Date: 10th March 2009

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THE CHURCH OF IRELAND CLERGY PENSIONS FUND
NET ASSETS STATEMENT **YEAR ENDED 31 DECEMBER 2008**
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CONSOLIDATED FUND	Notes	2008	2007
			€000
INVESTED ASSETS	6	77,241	120,362
CURRENT ASSETS			
Amounts due from the Representative Church Body		395	1,058
CURRENT LIABILITIES			
Creditors		(391)	(141)
NET CURRENT ASSETS		4	917
BALANCE OF FUND		77,245	121,279

Signed on behalf of the Trustee: *S Gamble*

DG Perrin

Date: 10th March 2009

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YEAR ENDED 31 DECEMBER 2008
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REPUBLIC OF IRELAND SUBDIVISION

	Notes	2008	2007
		€000	€000
CONTRIBUTIONS AND OTHER RECEIPTS			
Contributions receivable	3	2,348	2,211
Transfers from Northern Ireland subdivision		303	343
		<u>2,651</u>	<u>2,554</u>
BENEFITS AND OTHER PAYMENTS			
Benefits payable	4	3,168	3,067
Transfers to Northern Ireland subdivision		869	402
Administrative expenses		145	199
		<u>4,182</u>	<u>3,668</u>
CONTRIBUTIONS LESS BENEFITS		<u>(1,531)</u>	<u>(1,114)</u>

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NORTHERN IRELAND SUBDIVISION

	Notes	2008	2007
		€000	€000
CONTRIBUTIONS AND OTHER RECEIPTS			
Contributions receivable	3	2,144	2,517
Transfers from Republic of Ireland subdivision		869	402
		<u>3,013</u>	<u>2,919</u>
BENEFITS AND OTHER PAYMENTS			
Benefits payable	4	3,417	4,026
Transfers to Republic of Ireland subdivision		303	343
Administrative expenses		1	1
		<u>3,721</u>	<u>4,370</u>
CONTRIBUTIONS LESS BENEFITS		<u>(708)</u>	<u>(1,451)</u>
INVESTMENT RETURN FOR THE YEAR			
Investment income		135	1,805
Realised and unrealised investment (loss)		(18,152)	(762)
Currency translation adjustment		(1,513)	(5,010)
Investment management expenses		(37)	(135)
		<u>(19,567)</u>	<u>(4,102)</u>
NET (DECREASE) IN FUND FOR YEAR		<u>(20,275)</u>	<u>(5,553)</u>
BALANCE 1 JANUARY		59,321	64,874
BALANCE 31 DECEMBER		<u><u>39,046</u></u>	<u><u>59,321</u></u>

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL STATEMENTS

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1. ACTUARIAL VALUATIONS

The development of the Fund is monitored by the Actuary by means of an actuarial valuation which is carried out at intervals of not more than three years. The most recent valuation of the Fund was carried out as at 30 September 2006. Based on that valuation, the Actuary reported that, in common with many defined benefit schemes at this time, the Fund did not satisfy the minimum funding standards in section 44 of the Pensions Act, 1990 (Republic of Ireland).

The Actuary is required annually to produce a certificate commenting on the status of the funding of the Clergy Pensions Fund. At 31 December 2008 the Actuary's certificate stated that the Fund still did not satisfy the statutory minimum funding standard, and that the current funding arrangements were unlikely to enable the standard to be achieved as planned by 30 September 2011. A revised funding plan should be agreed with the Irish Pensions Board by 31 December 2009 subject to the outcome of the triennial actuarial valuation as at 30 September, 2009.

2. FORMAT OF THE FINANCIAL STATEMENTS

The statements summarise the transactions and net assets of the scheme. They do not take account of liabilities to pay pensions and other benefits expected to become payable in the future. The actuarial position of the fund, which taking account of such liabilities, is dealt with in the certificate supplied by the Actuary in the text of the Annual Report of the Board and these statements should be read in conjunction therewith.

3. SUMMARY OF CONTRIBUTIONS RECEIVABLE

	2008	2007
	€000	€000
<u>Republic of Ireland</u>		
Members – normal	399	373
– additional personal	148	208
Dioceses	1,257	1,120
Representative Church Body	544	507
Transfers from other funds	-	3
	<u>2,348</u>	<u>2,211</u>
<u>Northern Ireland</u>		
Members – normal	379	440
– additional personal	51	62
Dioceses	1,194	1,376
Representative Church Body	520	624
Transfers from other funds	-	15
	<u>2,144</u>	<u>2,517</u>
Total	<u>4,492</u>	<u>4,728</u>

The value of Northern Ireland contributions in sterling is translated for reporting purposes to euro at the year end rate of exchange.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
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4. BENEFITS PAYABLE

	2008 €000	2007 €000
<u>Republic of Ireland</u>		
Pensions to retired bishops and clergy	1,635	1,513
Pensions to surviving spouses and orphans	1,310	1,275
Commutation of pensions	108	117
Death benefits	115	162
	<u>3,168</u>	<u>3,067</u>
<u>Northern Ireland</u>		
Pensions to retired bishops and clergy	1,961	2,458
Pensions to surviving spouses and orphans	1,050	1,324
Commutation of pensions	268	176
Death benefits	138	68
	<u>3,417</u>	<u>4,026</u>
Total	<u><u>6,585</u></u>	<u><u>7,093</u></u>

The cost of Northern Ireland benefits in sterling is translated for reporting purposes to euro at the year end rate of exchange.

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5. ANALYSIS OF INVESTMENT INCOME

	2008 €000	2007 €000
Fixed interest securities	113	247
Dividends from equities	25	2,637
Income from managed funds	18	17
Interest on cash deposits	41	102
	<u>197</u>	<u>3,003</u>
Other trust income	57	54
	<u>254</u>	<u>3,057</u>
	<u><u>254</u></u>	<u><u>3,057</u></u>

From 24 January 2008, the invested assets are held in a unitised fund and income is attributed to the fund as it arises and not separately reported.

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6. (a) INVESTED ASSETS

	Market Value
Equities	€000
UK	19,510
Europe ex UK	23,747
Global	15,860
Bonds	
European	8,371
UK	6,558
	74,046
Other	
Irish Property Unit Trust	291
New Ireland Pension Property Series 1	2,710
New Ireland Venture Capital	178
Cash	16
	3,195
Total	77,241

The total invested assets include an amount of €67,000 of cash in transit to Irish Life Investment Managers.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
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6. INVESTED ASSETS – CONTINUED

- (b) The fund was transferred from Bank of Ireland Investment Managers to Irish Life Investment Managers on 24 January 2008 at a value of €07.4m. The fund now tracks various published indices on a passively managed basis.

The relative weighting of the value invested in each index is controlled by the Trustee. As at 31 December 2008, the indices and the percentage of the fund, excluding property unit trusts and cash, invested in these was as follows:

Indices	Weighting
FTSE All World Series Developed Europe Ex UK	39.14%
FTSE All World Series UK	29.59%
S&P Global 100	11.14%
Merrill Lynch EMU Govt > 10 Year	11.28%
Merrill Lynch UK Govt > 10 Year	8.85%

7. CONTINGENT LIABILITIES

In the opinion of the Trustee the scheme had no contingent liabilities at 31 December 2008.

8. ADMINISTRATIVE AND INVESTMENT MANAGEMENT EXPENSES

The costs of investment management and administration are substantially borne by the Fund. The balance of these costs is borne by the Trustee.