

Church of Ireland Pensions Board – Report 2011

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
FUND ACCOUNT YEAR ENDED 31 DECEMBER 2010
FINANCIAL STATEMENTS PAGE 13
CONSOLIDATED FUND

	Notes	2010 €000	2009 €000
CONTRIBUTIONS AND OTHER RECEIPTS			
Contributions receivable	3	5,221	4,777
Special contribution	4	5,000	-
		10,221	4,777
BENEFITS AND OTHER PAYMENTS			
Benefits payable	5	6,887	6,814
Administrative expenses		154	127
		7,041	6,941
NET ADDITIONS / (WITHDRAWALS)		3,180	(2,164)
RETURNS ON INVESTMENTS			
Investment income	6	27	62
Realised and unrealised investment gain		10,719	18,859
Currency translation adjustment		(32)	43
Investment management expenses		(66)	(56)
NET RETURNS ON INVESTMENTS		10,648	18,908
NET INCREASE IN FUND FOR YEAR		13,828	16,744
BALANCE 1 JANUARY		93,989	77,245
BALANCE 31 DECEMBER		107,817	93,989

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: 8 March 2011

Church of Ireland Pensions Board – Report 2011

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
STATEMENT OF NET ASSETS YEAR ENDED 31 DECEMBER 2010
FINANCIAL STATEMENTS PAGE 14

CONSOLIDATED FUND	Notes	2010	2009
			€000
INVESTMENT ASSETS	7	107,749	93,895
		<hr/>	<hr/>
CURRENT ASSETS			
Amounts due from the Representative Church Body		152	162
CURRENT LIABILITIES			
Creditors		(84)	(68)
		<hr/>	<hr/>
NET CURRENT ASSETS		68	94
		<hr/>	<hr/>
NET ASSETS		107,817	93,989
		<hr/>	<hr/>

The accounts summarise the transactions of the Fund and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial position of the scheme, which does take account of such obligations, is dealt with in the actuarial certificate included in the Annual Report and these accounts should be read in conjunction with this.

Signed on behalf of the Trustee: *S Gamble*

DG Perrin

Date: 8 March 2011

Church of Ireland Pensions Board – Report 2011

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
YEAR ENDED 31 DECEMBER 2010
FINANCIAL STATEMENTS **PAGE 15**

REPUBLIC OF IRELAND SUBDIVISION

	Notes	2010	2009
		€000	€000
CONTRIBUTIONS AND OTHER RECEIPTS			
Contributions receivable	3	2,680	2,520
Special contribution	4	2,484	-
Transfers from Northern Ireland subdivision		<u>72</u>	<u>49</u>
		5,236	2,569
BENEFITS AND OTHER PAYMENTS			
Benefits payable	5	3,177	3,148
Transfers to Northern Ireland subdivision		502	36
Administrative expenses		153	126
		<u>3,832</u>	<u>3,310</u>
NET ADDITIONS / (WITHDRAWALS)		<u>1,404</u>	<u>(741)</u>
RETURNS ON INVESTMENTS			
Investment income		24	55
Realised and unrealised investment gain		5,330	9,354
Investment management expenses		(33)	(28)
NET RETURNS ON INVESTMENTS		<u>5,321</u>	<u>9,381</u>
NET INCREASE IN FUND FOR YEAR		6,725	8,640
BALANCE 1 JANUARY		46,839	38,199
BALANCE 31 DECEMBER		<u><u>53,564</u></u>	<u><u>46,839</u></u>

Church of Ireland Pensions Board – Report 2011

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
YEAR ENDED 31 DECEMBER 2010
FINANCIAL STATEMENTS **PAGE 16**

NORTHERN IRELAND SUBDIVISION

	Notes	2010	2009
		€000	€000
CONTRIBUTIONS AND OTHER RECEIPTS			
Contributions receivable	3	2,541	2,257
Special contribution	4	2,516	-
Transfers from Republic of Ireland subdivision		<u>502</u>	<u>36</u>
		5,559	2,293
BENEFITS AND OTHER PAYMENTS			
Benefits payable	5	3,710	3,666
Transfers to Republic of Ireland subdivision		72	49
Administrative expenses		1	1
		<u>3,783</u>	<u>3,716</u>
NET ADDITIONS / (WITHDRAWALS)		<u>1,776</u>	<u>(1,423)</u>
RETURNS ON INVESTMENTS			
Investment income		3	7
Realised and unrealised investment gain		5,389	9,505
Currency translation adjustment		(32)	43
Investment management expenses		(33)	(28)
NET RETURNS ON INVESTMENTS		<u>5,327</u>	<u>9,527</u>
NET INCREASE IN FUND FOR YEAR		7,103	8,104
BALANCE 1 JANUARY		47,150	39,046
BALANCE 31 DECEMBER		<u>54,253</u>	<u>47,150</u>

THE CHURCH OF IRELAND CLERGY PENSIONS FUND**NOTES TO THE FINANCIAL STATEMENTS****FINANCIAL STATEMENTS****PAGE 17****1. ACTUARIAL POSITION**

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 2009. 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 2010 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. It is expected a revised funding plan will be agreed with the Irish Pensions Board during 2011.

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 takes account of such liabilities, is dealt with in the certificate supplied by the Actuary in the text of the Annual Report of the Church of Ireland Pensions Board and these statements should be read in conjunction therewith.

3. SUMMARY OF CONTRIBUTIONS RECEIVABLE

	2010 €000	2009 €000
<u>Republic of Ireland</u>		
Members – normal	536	425
– additional personal	168	164
Dioceses	1,409	1,352
Representative Church Body	560	579
Transfers from other funds	7	-
Special contribution	<u>2,484</u>	<u>-</u>
	<u>5,164</u>	<u>2,520</u>
<u>Northern Ireland</u>		
Members – normal	533	394
– additional personal	58	57
Dioceses	1,355	1,210
Representative Church Body	595	576
Transfers from other funds	-	20
Special contribution	<u>2,516</u>	<u>-</u>
	<u>5,057</u>	<u>2,257</u>
Total	<u>10,221</u>	<u>4,777</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
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FINANCIAL STATEMENTS **PAGE 18**

4. SPECIAL CONTRIBUTION

As part of a funding proposal which was presented to General Synod in 2010 the Representative Church Body made a capital transfer of €5m to the Clergy Pensions Fund. Further transfers may be made in the years 2011 to 2014.

5. BENEFITS PAYABLE

	2010	2009
	€000	€000
<u>Republic of Ireland</u>		
Pensions to retired bishops and clergy	1,605	1,712
Pensions to surviving spouses and orphans	1,377	1,389
Commutation of pensions	50	47
Death benefits	145	-
	3,177	3,148
<u>Northern Ireland</u>		
Pensions to retired bishops and clergy	2,353	2,280
Pensions to surviving spouses and orphans	1,202	1,153
Commutation of pensions	155	128
Death benefits	-	105
	3,710	3,666
 Total	 6,887	 6,814

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

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FINANCIAL STATEMENTS **PAGE 19**

6. ANALYSIS OF INVESTMENT INCOME

	2010	2009
	€000	€000
Miscellaneous trust income	18	54
Interest	<u>9</u>	<u>8</u>
	<u>27</u>	<u>62</u>

The invested assets are held in a unitised fund and income is attributed to the fund as it arises and is not separately reported.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FINANCIAL STATEMENTS **PAGE 20**

7. (a) INVESTMENT ASSETS

	Market Value 2010	Market Value 2009
Equities	€000	€000
UK	35,852	29,870
Europe ex UK	40,098	36,330
Global	12,160	9,738
Bonds		
European	8,801	8,474
UK	7,754	6,616
	-----	-----
	104,665	91,028
	-----	-----
Other		
Irish Property Unit Trust	202	225
New Ireland Pension Property Series 1	2,706	2,467
New Ireland Venture Capital	176	175
	-----	-----
	3,084	2,867
	-----	-----
Total	107,749	93,895
	=====	=====

The total invested assets include an amount of €17,591 (€15,455 in 2009) of cash in transit to Irish Life Investment Managers.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FINANCIAL STATEMENTS **PAGE 21**

7. INVESTED ASSETS – CONTINUED

- (b) The fund 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 2010, 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	38.3%
FTSE All World Series UK	34.2%
S&P Global 100	11.7%
Merrill Lynch EMU Govt > 10 Year	8.4%
Merrill Lynch UK Govt > 10 Year	7.4%

8. CONTINGENT LIABILITIES

As stated in the accounting policies on page 12, liabilities to pay pensions and other benefits in the future have not been taken into account. On that basis, in the opinion of the Trustee the scheme had no contingent liabilities at 31 December 2010.

9. 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.

10. RELATED PARTIES

- (a) The Trustee: The Trustee of the Fund is set out on page 3 of this report.
- (b) Remuneration of the Trustee: The Trustee does not receive and is not due any remuneration from the Fund in connection with its responsibilities as Trustee.
- (c) Employer: The Representative Church Body acts as the sponsoring employer for the Clergy Pensions Fund and employer contributions to the scheme are made in accordance with funding proposals agreed with the Actuary from time to time.
- (d) The Administrator: The Representative Church Body is the Registered Administrator of the scheme and is remunerated on a fee basis as shown on page 13 of this report.
- (e) The Investment Manager: Irish Life Investment Managers was appointed by the Trustee to manage the Fund's assets. The Manager is remunerated on a fee basis calculated as a percentage of the assets under management. These fees are reflected in unit prices and borne by the Fund.

11. APPROVAL OF FINANCIAL STATEMENTS

The Representative Church Body as Trustee of the fund at 31 December 2010 signed the accounts on 8 March 2011.