

**CHURCH OF IRELAND**

**THE REPRESENTATIVE CHURCH BODY**

**REPORT 2012**

# The Representative Church Body – Report 2012

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## THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

### Chairman

The Most Rev Alan Harper, Archbishop of Armagh



The Most Rev  
Alan Harper

### Committee Chairpersons

Executive	Mr Robert Neill <sup>*</sup> Mr Henry Saville (Deputy) <sup>†</sup>
Allocations	Mr Graham Richards
Investment	Mr Henry Saville <sup>†</sup>
Property	Mr Robert Kay
Stipends	Mr William Oliver <sup>‡</sup>
Library and Archives	Mr Michael Webb
Legal Advisory	Mr Lyndon MacCann SC
Audit	Mr Henry Saville <sup>†</sup>

### Chief Officer and Secretary

Mr Denis Reardon

The Representative Church Body (RCB) was incorporated by Charter in 1870 under the provisions of the *Irish Church Act, 1869*. Its legal structure is that of charitable trustee or trust corporation with perpetual succession.

The main activities of the Representative Body involve management of investments, administration of trusts and deeds of covenant, payment of stipends and pensions, property and legal transactions and treasury management as well as supporting the core work of the Church by providing finance for the sustentation of the clergy and pensioners, training of ordinands, education, youth, communications etc. The RCB Library is the repository for the archives of the Church and the Library for the Church of Ireland Theological Institute and the Church at large. The committee structure is designed to reflect these mainline activities and responsibilities.

### Office

Church of Ireland House  
Church Avenue  
Rathmines Dublin 6

Tel 01-4978422 Fax 01-4978821  
Email office@rcbdub.org  
Website [www.rcb.ireland.anglican.org](http://www.rcb.ireland.anglican.org)

### Library

Braemore Park  
Churchtown  
Dublin 14

Tel 01-4923979  
Fax 01-4924770  
Email [library@ireland.anglican.org](mailto:library@ireland.anglican.org)

<sup>\*</sup> appointed September 2011 in place of Mr Sydney Gamble

<sup>†</sup> appointed September 2011 in place of Mr Robert Neill

<sup>‡</sup> appointed September 2011 in place of Mr Henry Saville

## THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

In accordance with the Charter of Incorporation (1870) the Representative Body is composed of *ex-officio*, elected and co-opted members. The Charter provides that the *ex-officio* members shall be the archbishops and bishops, the elected members shall consist of one clerical and two lay representatives for each diocese or union of dioceses presided over by one bishop and the co-opted members shall consist of persons equal in number to the number of such dioceses for the time being. (See also *Constitution of the Church of Ireland*, Chapter X).

The Representative Body is composed of the following sixty members. The recorded attendance of each at the four meetings of the Representative Body held during the year 2011 is denoted by the figure placed before each name.

### A Archbishops and Bishops: *ex-officio* members (12)

- 4 The Most Rev Alan Harper, Archbishop of Armagh  
The See House, Cathedral Close, Armagh BT61 7EE
- 4 The Most Rev Michael Jackson, Archbishop of Dublin<sup>\*</sup>  
The See House, 17 Temple Road, Dublin 6
- 3 The Most Rev Richard Clarke, Bishop of Meath and Kildare  
Bishop's House, Moyglare, Maynooth, Co Kildare
- 1 The Rt Rev John McDowell, Bishop of Clogher<sup>†</sup>  
The See House, Fivemiletown, Co Tyrone BT75 0QP
- 4 The Rt Rev Kenneth Good, Bishop of Derry and Raphoe  
The See House, 112 Culmore Road, Londonderry BT48 8JF
- 2 The Rt Rev Harold Miller, Bishop of Down and Dromore  
The See House, 32 Knockdene Park South, Belfast BT5 7AB
- 1 The Rt Rev Alan Abernethy, Bishop of Connor  
3 Upper Malone Road, Belfast BT9 6TD
- 4 The Rt Rev Kenneth Clarke, Bishop of Kilmore  
48 Carrickfern, Cavan
- 1 The Rt Rev Patrick Rooke, Bishop of Tuam<sup>‡</sup>  
Bishop's House, 2 Summerfield, Cahergowan, Claregalway,  
Co Galway
- 4 The Rt Rev Michael Burrows, Bishop of Cashel and Ossory  
Bishop's House, Troysgate, Kilkenny
- 4 The Rt Rev Paul Colton, Bishop of Cork, Cloyne and Ross  
The Palace, Bishop Street, Cork
- 4 The Rt Rev Trevor Williams, Bishop of Limerick and Killaloe  
Rien Roe, Adare, Co Limerick

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<sup>\*</sup> from April 2011 (formerly Bishop of Clogher), in place of Most Rev John Neill

<sup>†</sup> from September 2011, in place of Most Rev Michael Jackson

<sup>‡</sup> from September 2011, in place of Rt Rev Richard Henderson

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### B Elected members (36)

Every member elected, except to a casual vacancy, must retire from office on the first day of the third Ordinary Session of the Diocesan Synod after that member's election (*Constitution of the Church of Ireland* Chapter X, Section 3). The date in brackets after each member's name denotes the year in which that member is due to retire. Outgoing members are eligible for re-election provided they have not reached 74 years of age by 1 January preceding election.

Armagh	2	Ven Raymond Hoey, The Rectory, 2 Maytown Road, Bessbrook, Co Down BT35 7LY (2012)
	4	Mrs Ethne Harkness, 134 Coagh Road, Stewartstown, Co Tyrone BT71 5LL (2013)
	2	Mrs Jane Leighton, 14 Drumbeemore Road, Armagh BT60 1HP (2014)
Clogher	2	Ven Cecil Pringle, 31 Station Road, Letterbreen, Enniskillen, Co Fermanagh BT74 9FD (2012)
	3	Mr William Allen, Aughnahinch, Newtownbutler, Co Fermanagh (2013)
	3	Mr John Keating, Kilturk West, Newtownbutler BT92 2BS, Co Fermanagh (2014)
Derry and Raphoe	3	Ven Donald McLean, 12 Station Road, Castledawson, Co Derry BT45 8AZ (2014)
	4	Mr Robert Pollock, 77 Edenderry Road, Omagh, Co Tyrone BT79 0NP (2012)
	4	Mr Sydney Gamble, 14 Spruce Road, Dysart, Strabane, Co Tyrone (2013)
Down and Dromore	4	Ven Philip Patterson, 69 Church Road, Newtownbreda, Belfast BT8 7AN (2012)
	4	Mr Albert Wilson, 11 Ballymoney Road, Banbridge, Co Down BT32 4DS (2013)
	1	Mr Trevor Douglas, 7 Rampark, Dromore Road, Lurgan, Co Armagh BT66 7JH (2014)*
Connor	1	Very Rev John Mann, The Deanery, 5 Deramore Drive, Belfast BT9 5JQ (2012)
	3	Mr Robert Kay, 2 Brookvale Terrace, Portrush, Co Antrim BT56 8EY (2013)
	3	Mr John Wallace, The Hermitage, 7 Ahoghill Road, Randalstown, Co Antrim BT41 3BJ (2014)
Kilmore, Elphin and Ardagh	1	Ven Craig McCauley, The Rectory, Virginia, Co Cavan (2014) <sup>†</sup>
	3	Miss Maud Cunningham, Clonatumpher, Florencecourt, Enniskillen, Co Fermanagh BT92 1BA (2012)
	4	Mr Kenneth Davis, Aughafad, Longford (2013)
Tuam, Killala and Achonry	4	Very Rev Alistair Grimason, The Deanery, Deanery Place, Cong, Co Mayo (2014)
	4	Prof Paul Johnston, Luimnagh West, Corrandulla, Co Galway (2012)
	4	Mr Ben Bradish, Frenchfort, Oranmore, Co Galway (2013)

\* elected November 2011 in place of Mr Lance Dermott (retired June 2011)

<sup>†</sup> elected October 2011 in place of Rev George Davison (retired October 2011)

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Dublin and Glendalough	3	Ven David Pierpoint, The Vicarage, 30 Phibsborough Road, Dublin 7 (2012)
	4	Mr Robert Neill, Killegar Park, Enniskerry, Co Wicklow (2013)
	3	Mr Geoffrey Perrin, Barn Close, Ballybrack Road, Shankill, Co Dublin (2014)
Meath and Kildare	4	Ven Leslie Stevenson, The Rectory, Portarlinton, Co Laois (2012)
	2	Mr Ronald Colton, Highfield, Ballyduff, Tullamore, Co Offaly (2013)
	0	Mr Gerald Potterton, Moyrath Castle, Kildalkey, Co Meath (2014)*
Cashel and Ossory	3	Ven Christopher Long, The Rectory, St John's, Enniscorthy, Co Wexford (2014)†
	3	Mr Peter Clifton-Brown, Ballinamona House, Cashel, Co Tipperary (2012)
	3	Mr Charles Galloway, Newtown, Waterford (2013)
Cork, Cloyne and Ross	4	Ven Robin Bantry White, Moviddy Rectory, Aherla, Co Cork (2014)
	4	Mr Keith Roberts, Corran, Ferney Road, Carrigaline, Co Cork (2012)
	3	Mr John Stanley, Scart House, Belgooly, Co Cork (2013)
Limerick and Killaloe	4	Ven Robert Warren, St John's Rectory, Ashe Street, Tralee, Co Kerry (2014)
	3	Mrs Lorna Gleasure, Phoenix Farm, Kilflynn, Tralee, Co Kerry (2012)
	4	Mr Roy Benson, Templehollow, Killaloe, Co Clare (2013)

### C Co-opted Members (12)

- 2 Rev Andrew Forster, The Rectory, 26 Circular Road, Dungannon BT71 6BE, Co Tyrone (2014)‡
- 2 Mr Terence Forsyth, 3 Hainault Lawn, Dublin 18 (2013)
- 3 Mr Samuel Harper, Cramer's Grove, Kilkenny, Co Kilkenny (2014)‡
- 1 Mr Lyndon MacCann SC, 2 Knapton Terrace, Dun Laoghaire, Co Dublin (2012)
- 1 Mr Tim McCormick, 13 Ontario Terrace, Dublin 6 (2014)‡
- 3 Mr William Oliver, Exorna House, Castlerock, Co Londonderry BT51 4UA (2014)‡
- 2 Mrs Judith Peters, The Deanery, Rosscarbery, Co Cork (2013)
- 3 Ms Hilary Prentice, Wayside Cottage, Drummin West, Delgany, Co Wicklow (2012)
- 4 Mr Graham Richards, 32 St Alban's Park, Dublin 4 (2012)
- 4 Mr Henry Saville, 22 Church Road, Boardmills, Lisburn BT27 6UP (2012)
- 1 Mr David Smith, Knockleigha, Shaw's Bridge, Co Down BT8 8JS (2012)
- 3 Mr Michael Webb, 2 Mount Salus, Knocknacree Road, Dalkey, Co Dublin (2013)

The following co-opted members retire in May 2012:

Mr Lyndon MacCann SC	Ms Hilary Prentice	Mr Graham Richards
Mr Henry Saville	Mr David Smith	

**Note** Two Honorary Secretaries of the General Synod are in attendance at meetings of the Representative Body.

\* elected October 2011 in place of Mr Dermot Gillespie (retired October 2011)

† elected April 2011 in place of Very Rev Leslie Forrest (retired February 2011)

‡ eligible to attend three meetings maximum due to triennial retirement as co-opted member (re-elected May 2011)

## COMMITTEES OF THE REPRESENTATIVE BODY

The Executive, Allocations, Investment, Property, Stipends, Library and Archives, Legal Advisory and Audit Committees are elected triennially from the members of the Representative Body. The current triennium ends in September 2013. Membership details, together with numbers of meetings held and record of attendances for the year 2011 are shown below. The Chairpersons were appointed in September 2011 for a two year period.

### EXECUTIVE COMMITTEE

(7 meetings)

Mr Robert Neill\* (7)  
(Chair)



Mr Robert Neill

The Most Rev Alan Harper	(7)	Rev Andrew Forster	(6)
The Most Rev Michael Jackson†	(6)	Ven Cecil Pringle	(6)
The Most Rev Richard Clarke	(6)	Ven Robin Bantry White	(7)
Mr Graham Richards	(7)	Mr Terence Forsyth	(5)
Mr Henry Saville	(7)	Mr Lyndon MacCann SC	(1)
Mr Robert Kay	(6)	Mr Geoffrey Perrin	(7)
Mr William Oliver‡	(3)	Mr Michael Webb	(6)

The Executive Committee has an overall responsibility to protect the interests of the Representative Body and its trusts, to consider and, if thought fit, to give approval to the recommendations of the subsidiary committees, to give formal approval to routine property and trust transactions, to formulate legislative proposals and policy for approval, to liaise with other central organisations and dioceses and to deal with all matters affecting the employment and remuneration of staff including specialist appointments where the Representative Body is a party to any contract of employment.

The Archbishops and the Chairpersons of the Allocations, Investment, Property and Stipends Committees are *ex officio* members of the Executive Committee. Mr Samuel Harper attends Executive Committee meetings as an Honorary Secretary of the General Synod. Mr Sydney Gamble on retiring from the Chair in September 2011 was appointed Adviser to the Executive Committee until September 2013.

#### Prayer read at the commencement of all Executive Committee meetings

*“Almighty God, we meet in your presence to exercise stewardship of the resources of this Church. Grant to us a clear mind and judgement in all things, a willingness to seek your will for the Church and an awareness of the trust and responsibility given to us. Guide us with your wisdom and lead us in the paths of truth. This we ask through Jesus Christ, our Lord. Amen.”*

\* appointed September 2011 in place of Mr Sydney Gamble (retired September 2011)

† from April 2011 *ex officio* (Archbishop of Dublin)

‡ from September 2011 *ex officio* (Chair of Stipends Committee)

## ALLOCATIONS COMMITTEE

(3 meetings)

Mr Graham Richards (3)

(Chair)



Mr Graham Richards

Rev Andrew Forster	(3)	Mr William Oliver*	(1)
The Most Rev Alan Harper	(2)	Mr John Stanley	(3)

The function of the Allocations Committee is to investigate requests for financial support and make recommendations to the Executive Committee or the Representative Body as appropriate, to maintain a ‘watching brief’ on the use and deployment of resources allocated to committees and organisations including their budgetary procedures and accounting policies, to anticipate financial pressures ahead and plan forward accordingly, to ensure that trust limitations are observed in the use of Representative Body funds and to co-ordinate with other financial bodies (Priorities Fund Committee, Investment Committee, Stipends Committee, Pensions Board etc).

## INVESTMENT COMMITTEE

(8 meetings)

Mr Henry Saville† (2)

(Chair)



Mr Henry Saville

Mr Terence Forsyth	(6)	Ms Hilary Prentice‡	(2)
Mr Dermot Gillespie§	(5)	Mr David Smith	(4)
Mr Tim McCormick	(6)	Mr John Wallace	(7)

The function of the Investment Committee is to oversee the invested funds of the Representative Body and other funds held in trust, to monitor portfolio and investment management performance, to maintain an appropriate level of reserves, to formulate lending policies and approve parochial and glebe loan applications, to advise with regard to investment policy and strategy and generally report to the Executive Committee or to the Representative Body as appropriate.

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\* resigned September 2011 (Mr Kenneth Davis elected December 2011)

† appointed September 2011 in place of Mr Robert Neill (retired September 2011)

‡ elected September 2011 in place of Mr Lance Dermott (retired June 2011)

§ retired October 2011 (Mr Roy Benson elected December 2011)



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### PROPERTY COMMITTEE

(5 meetings)

Mr Robert Kay (5)  
(Chair)



Mr Robert Kay

Mr William Allen	(3)	Mrs Jane Leighton	(4)
Mr Peter Clifton-Brown	(5)	Ven Donald McLean	(4)
Mr Ronald Colton	(5)	Mr Keith Roberts	(5)
Miss Maud Cunningham	(5)	Ven Robert Warren *	(3)

The function of the Property Committee is to process all matters affecting glebes, churches, parochial buildings and graveyards vested in the Representative Body in accordance with statutory responsibilities as laid down in the *Constitution of the Church of Ireland*, to manage the buildings directly under the control of the Representative Body, to co-ordinate with diocesan see house committees and care for see houses and all residences provided for the use of church officers, to care for all properties assigned by the Representative Body for the use and occupation of retired clergy and surviving spouses, to assist and provide guidance in the planning and disposal of redundant churches and the contents thereof, to provide technical support and advice to parishes and dioceses, to maintain property records and registers and generally to report to the Executive Committee or to the Representative Body as appropriate.

**Note:** Representatives of the dioceses who are members of the Representative Body are entitled to attend meetings of the Property Committee when relevant diocesan property matters are under consideration.

### STIPENDS COMMITTEE

(3 meetings)

Mr William Oliver<sup>†</sup> (2)  
(Chair)



Mr William Oliver

Mr Roy Benson <sup>‡</sup>	(3)	Mrs Jane Leighton	(2)
The Rt Rev Paul Colton	(3)	Ven Donald McLean	(3)
Mrs Lorna Gleasure	(3)	Mr Geoffrey Perrin	(3)
Prof Paul Johnston <sup>§</sup>	(0)	Ven David Pierpoint	(1)

The function of the Stipends Committee is to make recommendations concerning Minimum Approved Stipends, mileage rates for locomotory expenses, and the remuneration, expenses and budgets for the episcopate and other church officers, to monitor changes in taxation and State legislation insofar as clerical remuneration matters are concerned, to investigate and make recommendations in relation to grant aid requests from dioceses for the support of the Ministry and the training of newly ordained clergy, to consult with dioceses and make recommendations to provide for the better maintenance of the Ministry generally, to monitor and report on the implementation of the recommendations of the Clergy Remuneration and Benefits Committee as approved by General Synod in 1990 and report to the Executive Committee or to the Representative Body as appropriate.

\* elected March 2011 in place of Very Rev Leslie Forrest (retired February 2011)

† appointed September 2011 in place of Mr Henry Saville (retired September 2011)

§ elected December 2011 in place of Mr William Oliver (appointed to Chair September 2011)

‡ retired December 2011

## **LIBRARY AND ARCHIVES COMMITTEE**

(3 meetings)

Mr Michael Webb (3)

(Chair)



Mr Michael Webb

The Most Rev Richard Clarke	(1)	Ven Robin Bantry White	(3)
The Rt Rev Patrick Rooke*	(0)	Rev Canon John Mann	(0)

Advisory Members	–	Mrs Valerie Coghlan	(2)
	–	Rev Dr Maurice Elliott	(1)
	–	Rev Dr Adrian Empey	(2)
	–	Dr Kenneth Milne	(3)

The function of the Library and Archives Committee is to manage the RCB Library and its resources having regard to trusts and objectives, to maintain archives and Church records generally (including records of contents of churches and of church plate), to co-operate with the Theological Institute and Committees using the Library premises and to provide a cost-effective service to the Church and the public at large subject to the approval of the Executive Committee or the Representative Body as appropriate and budget limitations.

## **LEGAL ADVISORY COMMITTEE**

(0 meetings)

Mr Lyndon MacCann SC

(Chair)



Mr Lyndon MacCann

Mr Anthony Aston SC	Mrs Judith Peters
His Honour Judge Gerard Buchanan	Ms Hilary Prentice
The Hon Mr Justice Declan Budd	Mr John Wilson QC

The function of the Legal Advisory Committee is to advise the Representative Body on any legal or trust matter which the Executive Committee or the Representative Body may properly refer to it.

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\* elected September 2011 in place of Most Rev Michael Jackson (resigned April 2011)

## AUDIT COMMITTEE

(3 meetings)

Mr Henry Saville\* (3)  
(Chair)



Mr Henry Saville

Mr Roy Benson  
Mr Ben Bradish†

(3)  
(2)

Mr Robert Pollock‡

(0)

The Audit Committee's primary function is to assist the Representative Body in fulfilling its oversight responsibilities by reviewing the financial statements, the systems of internal control and the audit process. The Committee meets twice yearly with the auditors, PricewaterhouseCoopers, to review the scope of the audit programme prior to audit, the outcomes for the year when the audit is completed and any issues arising from the audit.

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\* appointed September 2011 in place of Mr Robert Neill (retired September 2011)

† elected March 2011 in place of Mr William Oliver (resigned December 2010)

‡ elected December 2011 in place of Mr Henry Saville (appointed to Chair September 2011)

## **MISSION AND RESPONSIBILITY**

The Representative Body, as trustee for the Church of Ireland, strives to operate within a framework of sound practice based on principles of integrity and accountability. Its historic and primary mission is to serve and support the Church's ministry with full legal accountability for its governance of property and financial assets. Over the long term, the Representative Body seeks to manage investments to obtain the best possible return for present and future beneficiaries and to work for improvements in clergy stipends and pensions.

## **MAIN POINTS**

### **Change in accounts format**

The format of the financial statements in use for many years has been changed this year to reflect the convergence of Accounting Standards and the emergence of reporting requirements for charities such as the Representative Body. This change is a culmination of a process which has been ongoing over a number of years.

This new approach may initially require significant explanation for readers of the financial statements, however, given time and understanding, the changes showing more clearly the finances relating to various activities should provide for a better understanding of the various financial affairs of the RCB.

The financial statements are now shown in separate columnar format representing the activities of various entities. The nature of the underlying activities is explained in the preparation statement shown in Note 1 to the financial statements. The change in the trusteeship of the Clergy Pensions Fund has also resulted in the transferring of these assets to the newly established Church of Ireland Clergy Pensions Trustee Limited. These fund assets are now accounted for in a separate set of financial statements which can be found in the annual report of the Trustee (Appendix F to this report, page 118).

### **Outturn for year ended 31 December 2011 and outlook**

In the Statement of Financial Activities for 2011 the outturn for the year for General Funds shows a reduction in funds in excess of €12m. This reflects net income of €4.6m, expenditure of €4.2m for allocations, a contribution of €5.3m to pension funds and realised and unrealised losses on investments of €7.1m. This loss of value diminishes the capability of General Funds in future to support the activities of the wider Church. For this reason focus in the short to medium term will have to be on rebuilding the resource represented by General Funds.

### **Clergy Pensions Fund**

During the year much further work has been undertaken in relation to the funding of the Clergy Pensions Fund. The General Synod was advised last year of the significant funding challenges then existing in relation to the Fund. Unfortunately over the past year the solvency position of the Fund has deteriorated further. In light of this, the ever-

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increasing financial risks to the activities of the wider Church have now become a matter of serious concern. As a consequence the Representative Body is considering bringing a package of proposals to the General Synod in 2013 including amongst others the closing of the Clergy Pensions Fund to new members and the provision of pensions for newly appointed clergy through a Defined Contribution Scheme. Further details on the solvency position of the Fund and the package of likely proposals currently in development can be found on page 35 of this report.

### **Thanks**

The activities reflected in this report could not have been undertaken without the support and commitment of the various hardworking RCB committees and their Chairpersons as well as the commitment of staff at Church House over the past year. For this the Representative Body is most appreciative. In particular recognition is given to Philip M Talbot, Head of Investments and Assistant Secretary to the Church of Ireland Pensions Board, who retired in September 2011 having been employed with the RCB for over 44 years.

### **ACCOUNTS PRESENTATION AND OUTCOME FOR THE YEAR**

As indicated in last year's report, the presentation format of the accounts of the Representative Body (RCB) has been changed to conform to generally accepted and recommended practice for the charitable and non profit sector. While this norm is not yet required practice in the Republic of Ireland, the RCB believes that it is an improved and more meaningful layout, showing more clearly the relationship between the various aspects of the responsibilities of the RCB.

Again as indicated last year, following the incorporation of the Church of Ireland Clergy Pensions Trustee Limited which now has responsibility for the assets of the Clergy Pensions Fund, the assets of the Clergy Pensions Fund are no longer included in the Balance Sheet of the RCB and are shown exclusively in the accounts of the Fund.

The most important page of the accounts is the Statement of Financial Activities (SoFA) (page 66), which traces the movements of income, expenditure and changes in fund value in summary on one account. Three columns are shown setting out RCB Activities, and the movements in General Funds and in funds held for Parishes, Dioceses and Other Church organisations and entities. The Balance Sheet (page 68) follows this three columnar format.

The format is explained in more detail in the commentary following, and in the basis of preparation note in the accounting policies (page 61) set out in the accounts.

The SoFA shows that the value of General Funds has fallen by more than €12m in the year. This is partly as an amount of €5m was transferred from General Funds to the Clergy Pensions Fund, following a similar transfer in 2010. Further, market performance measured in the year to 31 December was poor for European equities.

Maintaining the ongoing capability of General Funds to provide resource for Church use is a central objective of the RCB. Focusing only on increasing income does not necessarily provide this result, as it does not take into account the need to conserve capability for the

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future. In a year when investment income rose by 13.5% in euro terms, albeit assisted by a once off technical adjustment making up 6% of that rise, the value of General Funds capital employed carried into 2012, and the future capability implied by that, fell by 7.9%.

It is the intention of the RCB that, over the next four to five years, the resources expended should gradually be brought to a sustainable level, while allowing for an element of future capital and capability growth.

The Allocations Equalisation Reserve, valued at €4.231m at the end of 2011, will be applied over this period to smooth the period of transition.

### **OPERATING AND FINANCIAL REVIEW 2011**

The accounts of the Representative Church Body commence on page 55.

#### **• Commentary**

- A) The Statement of Financial Activities (SoFA) of the Representative Church Body is shown on page 66.

The SoFA sets out for 2011 and for the prior year the income, expenditure, investment losses and gains and capital additions and withdrawals of all financial activities and funds for which the Representative Church Body (RCB) is responsible. This new presentation shows more clearly the relationship between the work carried out by RCB staff, the management of General Funds and the responsibility the RCB has for amounts held in trust for parishes, dioceses and other Church of Ireland entities.

The SoFA is set out in three columns for each year, and each column stands on its own.

The full value of funds and the movements in funds in the year are shown on the SoFA and reflected in the Balance Sheet. Certain amounts, including allocations and some RCB creditors, which by their nature are provisions without attributable liabilities at the year end, have been restated for 2010 and going forward as designated reserves.

The restatements of opening balances are shown in Notes 4 and 9 to the accounts (pages 73 and 77).

RCB activities shows the costs arising in the performance of the central service, trustee and governance support roles of the staff of the RCB. In the General Funds column is set out the performance of these funds showing the disbursement of resources in the year, and the movement and opening and closing value of the funds.

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The activity shown in the Parochial, Diocesan and Other Trust Funds column shows the values arising and incoming and expended resources relating to trusts and monies managed for the wider Church, as well as the value of Gift Aid reclaimed for and repaid to parishes.

### **RCB activities**

#### **Resources expended**

The expenditures for the year, summarised by function on the SoFA, are summarised by type of expenditure on page 75 (Note 6).

The cost of generating funds comprises the payroll costs of investment management, legal and accounting services, including those made available to the wider Church, external fund management costs and associated allocated overheads. An increase in 2011 of €5,000 over 2010 relates entirely to external fund management costs arising.

Charitable activities costs comprise those payroll and associated allocated overheads ascribed to trust and property management, communications, education and the RCB Library.

Governance costs relate to the payroll and associated allocated overhead costs incurred in supporting General Synod, central committee expenses and episcopal electoral expenses. A small increase of €10,000 over 2010 arises due to Episcopal electors expenses in the year, and to increased central committee costs.

Included in other resources expended is an amount of €179,000 (2010 - €190,000) of legal and actuarial costs relating to the General Synod disciplinary process and to professional advice in regard to the Clergy Pensions Fund.

Overall the amount chargeable against General Funds has fallen in the year by €39,000.

### **General Funds**

#### **(i) Outturn for the year**

The total value of General Funds fell by an amount in excess of €12m, from a restated 2010 value of €152.515m to €140.505m, influenced mainly by a fall of approximately 5.7% in the year of the values of invested assets, and by withdrawals of €5.521m which were utilised to support the solvency of the Clergy Pensions Fund (€5.000m) and the Staff Pension Fund (€0.521m), the latter including an increase of €0.171m in the actuarially calculated deficit in the Staff Pension Scheme.

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- (ii) Net incoming resources, at €4.792m showed an increase of €0.138m, 3.0%, over 2010, a significant increase, particularly as the 2010 statement included a €0.799m one off profit on the sale of an asset.

Investment income of €6.692m (2010 - €5.896m) benefitted from a tactical positioning towards fixed interest stocks in the year. In addition, an exceptional amount of €0.35m was recognised in the 2011 statements, arising on a once off basis as a result of realising a significant position in a fixed interest unit trust, in which income was recognised on receipt, and reinvesting in direct holdings in which interest accrues in the period in which it arises.

Total incoming resources increased by €0.99m.

In 2012 the RCB will commence a move towards managing the disbursement of resources on a longer term horizon, rather than on an annual comparison of income against costs arising, with the intention that a sustainable level of resource utilisation will be achieved, giving clarity and stability to the applicants for central Church financing.

- (iii) Allocations and distributions

Allocations expended in the year show the cash values of the funds reserved for 2011 allocations, less amounts not expended.

### **Parish, diocesan and other trust funds**

- (i) Net incoming resources

Investment income arises in the Representative Body Unit Trusts, for which abridged versions of the full year accounts are shown in Appendix D commencing on page 93 of the Book of Reports.

All incoming resources are disbursed according to the terms of trusts held, or to parishes.

Income of €59,500 accruing to the Stipends Fund, and €37,500 accruing to the Royalties Fund, totalling €97,000, has been transferred to General Funds to support the cost of Allocations charged in the year.

## **B) Balance Sheets**

The net assets shown in the Balance Sheets (page 68) are shown as belonging to three separate fund groupings.



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- RCB activities include those assets and liabilities specifically utilised in and attributable to the performance of the services and duties carried out by central Church staff. The net current balance on these is offset against General Funds.
- The General Funds are those available to be utilised for the purposes of meeting the operating expenditure of the Representative Body and funding for Allocations. Total fund values fell by €12m (7.9%), despite gains of €1.9m due to stronger sterling values at the year end, and consequently the resource increasing capacity of the funds is reduced. €5.35m (3.5%) of this loss of resource capacity related to transfers of capital to support the Clergy and Staff Pension Funds.
- Parish, Diocesan and Other Trust funds generate the investments and deposit income shown in the SoFA and belong to parishes, dioceses and sundry Church of Ireland trusts. Before capital and cash withdrawals the net loss for the year was €5.286m (2.4%) in the year.

### • **Allocations** (page 66)

Allocations for 2012 are provided in 2011 as a reserve to be drawn down in the following year. The amount recognised in the SoFA in 2011, €4.198m, is the value spent, offset by that part of the provision made for the year unspent and being written back. The comparative figure for 2010 was €4.528m.

The amount provided as a reserve for 2012 is €4.595m. This expenditure will be available to support the episcopacy and clergy pensions, and finances ministerial training as well as the functions of the General Synod and the Standing Committee.

The net cost of allocations has been relieved by subventions from the Stipends Fund of €159,000 (2011 €125,000) and from the General Synod Royalties Fund of €37,500 (2011 €75,000). These have been offset respectively against the costs of training for the ordained ministry and the costs of the General Synod and the Standing Committee. The Representative Body is grateful to the Committees for this valuable support.

Committees of the Standing Committee, the Church of Ireland Theological Institute, the Church of Ireland Youth Department and the RCB Library each continue to respond very positively to the request of the Allocations Committee for spending restraint in a difficult financial environment.

- **Reserves** (page 73)

The Allocations Equalisation Reserve, previously called the Allocations Reserve, has been maintained to smooth the capacity of income on an annual basis to meet the Allocations need. Income remains an important, but not the only, consideration in determining resources available for expenditure. Over the longer term ‘total return’, including income and also changes in investment values, is seen as a more reliable and complete measure on which to calculate the amount of resource expendable in a sustainable way.

The objective of the RCB is to maintain, and if possible grow, the capacity of General Funds to support wider Church activities. With this in mind, the Allocations Equalisation Reserve will be accessed as required over the medium term to stabilise the movement towards a sustainable long term resource withdrawal policy.

This reserve grew in value in the year by €430,000 to €4.231m from €3.801m. This is net revenue for the year, after providing for an increase in the reserve held specifically for the following year allocations cost, net of some small adjustments.

At the year end the actuaries to the staff pension scheme assess the comparative solvency of the scheme on a discontinuance basis and the results are set out in detail in Note 14 This shows that, at 31 December 2011 the scheme remained in deficit, the amount of the deficit increasing by €171,000 to €3.366m. This deficit is shown as a long-term liability in the Balance Sheet.

The staff pension scheme was closed to new entrants at 1 January 2007.

- **Currency translation rates**

Year end sterling balances have been translated into euro a rate of €1 = £0.8353 or £1 = €1.1972 (2010: €1 = £0.8607 or £1 = €1.1618).

## **ALLOCATIONS PROVIDED FOR 2012**

- Allocations provided amount to €4.398m. In addition to this, subventions from the Stipends Fund and from the General Synod Royalties Fund totalling €197,000 allow for a total allocation provision for spend in 2012 of €4.595m and this is shown in reserves.
- The allocations listed below represent net amounts to be allocated after taking into account, where appropriate, income from endowment funds, the episcopal levy and the child protection levy paid by all parishes/dioceses and any other sources of funding which offset the costs of financing ministry and other central commitments.

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## 2012 ALLOCATIONS

	2012 €	2011 €	2012 £	2011 £
<b>GROUP A</b>				
Episcopal Stipends and Expenses	1,150,531	1,058,898	617,810	554,625
<i>less</i> Episcopal Levy	(381,386)	(381,386)	(358,130)	(351,107)
	<u>769,145</u>	<u>677,512</u>	<u>259,680</u>	<u>203,518</u>
Deans of Residences/University Chaplains	89,436	89,273	121,862	120,333
Queen's University, Belfast, Bursar	-	-	14,250	14,085
C of I in Queen's University, Belfast	-	-	2,000	2,000
C of I in Trinity College, Dublin	3,000	3,000	-	-
Clerical Relief - Children's Allowances	42,000	37,000	36,500	41,500
- Discretionary Grants	4,000	4,000	3,000	3,000
Stipends Related Costs	16,576	16,465	-	-
St Patrick's Cathedral, Dublin	1,000	1,000	-	-
	<u>925,157</u>	<u>828,250</u>	<u>437,292</u>	<u>384,436</u>
<b>GROUP B</b>				
Clergy Pensions Fund	319,018	285,706	289,697	504,363
Supplemental Fund Benefits				
- Retired Clergy, Surviving Spouses	38,313	43,846	1,440	3,064
Discretionary Grants				
- Retired Clergy	-	-	13,000	13,000
- Surviving Spouses	-	-	8,500	8,500
	<u>357,331</u>	<u>329,552</u>	<u>312,637</u>	<u>528,427</u>
<b>GROUP C</b>				
Training of Ordinands	682,831	480,248	-	-
Theological Institute	734,500	707,000	-	-
Ministry formation project	-	-	4,000	4,000
Stipends Fund	(100,000)	(125,000)	(50,000)	-
Bishops' Selection Conference	25,000	20,000	-	-
	<u>1342,331</u>	<u>1,082,248</u>	<u>(46,000)</u>	<u>4,000</u>
<b>GROUP D</b>				
General Synod/Standing Committee	351,994	352,502	206,849	205,651
Royalties Fund	(37,500)	(75,000)	-	-
Board of Education	34,832	55,974	89,465	66,479
Church of Ireland Youth Department	-	-	160,000	160,000
Child Protection Officers	15,000	26,500	12,000	20,000
	<u>364,326</u>	<u>359,976</u>	<u>468,314</u>	<u>452,130</u>
<b>GROUP E</b>				
RCB Library	5,000	-	-	-
Regular Sunday Services in Irish	500	500	-	-
	<u>5,500</u>	<u>500</u>	<u>-</u>	<u>-</u>
	<u>2,994,645</u>	<u>2,600,526</u>	<u>1,172,243</u>	<u>1,368,993</u>

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Summary of allocations expenditure provided for 2012, net of subventions from the Stipends and Royalties Funds:

	<b>2012</b>		<b>2011</b>	
	€	%	€	%
A - Maintenance of the Stipendiary Ministry	1,448,672	33.0	1,274,904	30.4
B - Pension related costs	731,612	16.6	943,502	22.5
C - Training of Ordinands	1,287,261	29.3	1,086,895	26.0
D - General Synod Activities	924,980	21.0	885,281	21.1
E - Miscellaneous	5,500	0.1	500	-
	<u>4,398,025</u>		<u>4,191,082</u>	

### • Commentary

#### **Group A - Maintenance of the Stipendiary Ministry - €1,448,672**

The funding of episcopal stipends and expenses is the major part of this allocations cost, at €1,080,027 (2011 €13,968) and 75% of the total (2011: 72%). The figure includes office costs, secretarial and travel expenses, financing costs for See Houses as well as stipends, pension funding and employer's state contributions.

The dioceses contribute towards the costs of the episcopacy through a levy which is based on the number of cures and a percentage of a minimum approved stipend per cure. The levy has been maintained at 5.4% of a minimum approved stipend per cure since 2008 and this is budgeted to realise the equivalent of €810,130, which is 43% of the total cost of funding the episcopacy (2011 46%). For 2012 the diocesan levy is €1,404 and €1,956 per cure (2011 €1,377 and €1,956).

The total cost of the episcopacy is budgeted at €1.890m (2011 €1.703m).

In 2011 the actual cost of the episcopacy was reduced from the budgeted level by an underspend and amounts returned by bishops amounting to €60,000, which is included in the figure for unexpended allocations on the Revenue Account.

A more detailed breakdown of Episcopal costs is shown on page 31.

Other amounts included in group 'A' support the provision of university deans of residence and child and discretionary allowances paid to the clergy.

#### **Group B - Pension related costs - €731,612**

Total support from RCB funds for the Clergy Pensions Fund for 2012 amounts to €5,665,836, of which €5,000,000 is a transfer of capital direct from General Funds, and the balance is provided through Allocations. The annual contribution from Allocations is reduced by an amount to reflect the increase in earning power transferred to the Clergy Pensions Fund accruing from two capital transfers in 2010 and 2011, totalling €10,000,000, and which, net of other changes, amounts to €451,000 at the year end rate of exchange. Also included under this heading are amounts to support discretionary grants to retired clergy and spouses, and to enable the maintenance of a minimum level of income for them.

**Group C - Training of Ordinands - €1,287,261**

The budget for the Training of Ordinands consists of an amount to underwrite the upkeep of the Church of Ireland Theological Institute, provision for grants for students and their accommodation and tuition fees, and the cost of the selection process to enter training of the Ministry.

The cost in 2012 shows a substantial increase over 2011 and is reflective of the increased costs associated with the new, parish based final year of training and the numbers currently at that stage in the three year course. Increased costs also arise in terms of higher tuition fees payable to Trinity College, Dublin, as the qualification has been upgraded to a Masters in Theology.

In total the net provision is €1.287m (2010 €1.087m). The net provision is after including assistance again from a subvention from the Stipends Fund of €100,000 and £50,000 (2011 €200,000). This level of support from the Stipends Fund is most welcome.

The cost of the upkeep of the Institute is that expected for the academic year 2012/2013 and shows anticipated costs of €734,500 (2011 €707,000).

The Training of Ordinands provision shows the cost relating to grants for students, their accommodation costs and the fees paid in respect of Trinity College Dublin and outside lecturers. Married students in 2011/12 receive a personal grant of €7,700 (€7,700) and the single grant is €4,400 (€4,400). There are also grant allowances made for dependent children. Accommodation grants and travel allowances are made available for students in their final, intern year. All three years of the new course now are populated, and the third year comprises a normal intake for two years, as there was no intake in 2008. The cost for the year of €682,831 is expected to represent a temporary peak, and is an increase of over €202,000 over the figure provided in 2011 Allocations.

In 2011/12 there are 34 ordinands undergoing full-time training and 13 undertaking the part-time course.

Extracts from the accounts of the Church of Ireland Theological Institute are included as Appendix A (page 88).

**Group D - General Synod Activities - €924,980**

This allocation includes provision for the General Synod and the Standing Committee, the Boards of Education and the Church of Ireland Youth Department, as well as amounts for the centrally funded portion of the costs relating to Child Protection Officers.

Relevant expenditure is supported by a grant of €37,500 from the Royalties Fund, and this support is greatly valued by the Allocations Committee.

The spending budgeted for these areas, before adjusting for changes in the sterling to euro exchange rate, and the subvention from the Royalties Fund, shows a small decrease of €14,000 from the figure for Allocations in 2011. The Allocations Committee is most grateful to the Standing Committee, the Youth Department, the Education Department and applicant committees for their continuing efforts to contain expenditure.

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The net cost of the Board of Education in the Republic of Ireland is supported by a grant from the Department of Education for which the Representative Body on behalf of the Church of Ireland wishes to record its gratitude.

### Group E - Miscellaneous - €5,500

A small allocation to allow for a continuation of conservation work has been reinstated with respect to the RCB Library. From a level of €25,000 in allocations year 2010, no allocation was required for 2011, and the provision for 2012 is €5,000. An amount of €500 has been provided annually for some years in support of the maintenance of the Irish as part of regular Church of Ireland worship.

## INVESTMENTS AND MARKETS

- Valuations of the various portfolios and comparative figures at 31 December 2011 were as follows:

Portfolio	Valuations (millions)	
	<u>2011</u>	<u>2010</u>
<i>General Funds/Reserves</i>		
General Funds (Lazard) <sup>1</sup>	€11.07	€123.41
General Funds (In-House)	€7.52	€18.60
Allocations Reserve	€2.23	€2.30
	<u>€30.92</u>	<u>€144.31</u>

### *Specific Trusts*

RB General Unit Trust (RI)	<del>€31.92</del>	<del>€138.77</del>
RB General Unit Trust (NI)	<del>€34.39</del>	<del>€31.91</del>

Portfolio	Total returns (weighted <sup>2</sup> )			
	<u>2011</u>	<u>Benchmark</u>	<u>2010</u>	<u>Benchmark</u>
<i>General Funds/Reserves</i>				
General Funds (Lazard)	-0.7%	-1.4% <sup>3</sup>	12.2%	11.0% <sup>3</sup>
General Funds (In-House)	-1.2%	1.8%	-4.7%	-1.4%
Allocations Reserve	5.2%	10.0%	-2.5%	-13.8%
<i>Specific Trusts</i>				
RB General Unit Trust (RI)	<del>0.1%</del>	-1.3%	2.4%	1.4%
RB General Unit Trust (NI)	<del>2.3%</del>	3.3%	11.6%	11.0%

<sup>1</sup> €5m was transferred from General Funds to the Clergy Pensions Fund during 2011.

<sup>2</sup> Adjusted for the effect of cash inflows and outflows in the year.

<sup>3</sup> In-house estimate.

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Total return performances of relevant equity and bond market indices in 2011 were:

Ireland (ISEQ)	2.6%	FTSE Eurofirst 300	-7.4% <sup>1</sup>
US (S&P Composite)	2.1%	UK (FTSE 100)	-1.9%
ISEQ Bond Index	10.0%	FTSE All UK Gilts	15.6%

Three- and five-year fund performance figures are included as Appendix B (page 90).

### • Ireland

The ISEQ index finished 2011 strongly, ending the year with a total return of 2.6%. However, 2011 earnings per share for the ISEQ index declined by 78% while dividends per share dropped by 36.7%. It outperformed the FTSEurofirst 300 by 12.7% in 2011 but underperformed the major US indices in 2011. The annual performance follows a loss of 3.0% in 2010 and a gain of 27.0% in 2009. The index was boosted by improved sentiment globally with corporate earnings and cautious optimism on the US economy outweighing ongoing concerns regarding the European sovereign debt issue.

Irish industrials gained 5.2% in 2011 but financials continued to suffer, falling 70.9% for the year, which follows a decline of 60.9% in 2010. Bank of Ireland, the only Irish bank to remain outside majority state control, achieved cumulative deleveraging of €8.6bn (€10bn target) but still ended 2011 down 77.0% and underperformed the E300 banks index by 67.8%. Irish Life & Permanent declined by 97.8% during 2011 and underperformed the E300 banks index by 97.4%. The top performing stock for 2011 was Elan, which rose 158.3%, while the poorest was Irish Life & Permanent with its loss of 97.8%.

The Irish ten-year bond yield fell by 8.7% to finish at 8.4% by the end of 2011 after a number of favourable reviews by the EU/IMF/ECB troika on Ireland's bailout progress. The spread between the Irish and German ten-year government bond yield narrowed to 6.6% after being higher than 11% during the summer.

### • United Kingdom

The FTSE 100 fell by 3.1% (in Euro terms) during 2011 outperforming the FTSE Eurofirst 300 by 7.6%. The best performing stock in 2011 was Shire PLC which rose by 49.5% while the poorest performing stock was Essar Energy which returned -69.6%. Banks and miners were the worst performers in 2011 while defensives were the best performers.

The Bank of England maintained interest rates at 0.5% throughout 2011 and expanded its asset-purchase programme in October from £200bn to £275bn in an effort to further stimulate economic growth. Like their U.S. and German equivalents, U.K. gilts had a very strong 2011 with the FTSE All UK Gilts index rising by 11%.

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<sup>1</sup> Net of Dividend Withholding Tax.

- **Europe**

European benchmarks ended the year in negative territory with the ISEQ index (+0.6%) the only national benchmark to record a gain and Greece was again the poorest performer, recording a 51.9% loss. The German DAX declined by 14.7% and the French CAC 40 fell by 17%. The average return of the European national benchmarks in 2011 was a decline of 19.2%.

For the FTSEurofirst 300 (E300), the annual total return of -7.4% followed gains of 7.3% in 2010 and 25.7% in 2009 making it the index's poorest yearly performance since 2008 when it fell 44.8%. 2011 earnings per share increased, however, by 2.6% while dividends per share rose by 11.1%. Its best performing constituent in 2011 was Elan with a 158.3% return, while the largest decliner was Commerzbank with a 70.7% drop.

Sector breadth was negative for the E300 during 2011 with eight of the ten industry groups declining. Healthcare (+12.7%) and oil and gas (+4.1%) were the only gainers for the year. Financials was the poorest performer, yielding a 26.3% decline and underperforming the benchmark by 17.5%. Five of the ten groups outperformed and five underperformed the broad index in 2011.

European policymakers agreed on measures to increase its rescue fund and implement tighter fiscal controls but investor sentiment remained weak as ratings agencies reviewed the credit ratings of all EU countries and expected a larger contraction of the region's economies in 2012. On December 8th, the ECB cut its main refinancing rate for a second consecutive month from 1.25% to 1.0%. The ECB also announced a new three-year long term repo operation (LTRO) which saw a record allocation of €1.8tn.

Yields in peripheral bond markets like Greece and Portugal continued to widen throughout 2011 but they also increased to worrying levels in Spain and Italy. However, a combination of measures such as internal economic reform efforts and the ECB's LTRO facility resulted in more successful debt auctions towards the end of the year and a corresponding reduction in yields and spreads.

- **Global**

Global markets finished a turbulent year in the red with the FTSE All World, Developed, Emerging and BRIC indices all declining by 8.8%, 7.9%, 14.7% and 19.0% respectively. The declines for the FTSE All World and Developed indices were their largest yearly falls since 2008 when they retreated by 40.7% and 40% respectively.

It was a mixed year for the primary US indices with the S&P 500 virtually unchanged for the year. There was a marked contrast in the performances of US indices during the first and second halves of 2011. All the benchmarks enjoyed decent gains up till late spring with investors focused on strong corporate earnings and a belief that both the domestic and global economies would recover. However, this view altered over the summer with the focus changing to increasing concerns regarding the European



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debt crisis, the continued existence of the single currency and a slowing global economy as austerity measures began to hurt.

The S&P 500 ended the year 7.8% from the 2011 high and 14.4% above the low. Less than half (236) of the S&P 500 constituents ended the year higher in value than they started. Earnings per share, however, increased by 12.2% during 2011 while dividends per share were higher by 13.5%.

The best-performing sector in 2011 was utilities with a gain of 14.8%. Financials fell 18.4% in 2011, rendering it the poorest-performing sector for the year. The fallout from a weakening economy and possible contagion from the European debt crisis saw the sector lose 15.3% in the second half of the year and Bank of America had the distinction of providing the poorest return in 2011 out of the Dow constituents of -58.3%.

- **Currencies and Commodities**

The euro weakened by 3.0% against the US dollar and by 2.5% against sterling during 2011 to close at 1.30 and 0.84 respectively. Commodity prices fell on economic uncertainty with the DJ-UBS spot commodity index losing 8.1% during the year. Brent oil rose 14.1% during 2011 while gold prices gained 11.1% finishing the year at \$1,576 per ounce.

- **Outlook for 2012**

Corporate and economic data are still indicating that we are presently at the mid point of the current cyclical bull market. However, given the run up in equity markets (particularly in the U.S.) since the lows of 2009 and more recently on the back of quantitative easing measures, and ongoing concerns in Europe and potentially in China, caution is warranted. As a result, if markets continue to rally in 2012, it will be prudent to reduce risk further by decreasing equity allocations in portfolios. Interest rates, however, are likely to remain at current levels in the U.S. and the U.K. but may be lowered further in Europe, and this will help support growth in the face of austerity and deficit reduction measures in developed economies.

- **Socially Responsible Investment (SRI) Review**

In 2011, the Investment Committee monitored and carried out its annual SRI assessment of individual stock holdings within the various portfolios and excluded stocks where it was deemed appropriate. In December 2011, the Investment Committee reported to the Representative Body that it was satisfied that the investment managers are sensitive to the Church's concerns and expectations with regard to ethical and socially responsible investment. The report is included as Appendix C and is unchanged from the previous year (page 91).

- **Income**

General Funds and General Reserves investment income for 2011 was up 13.5% on 2010 (although this was positively impacted by some higher than expected one-time

outcomes). In future, withdrawals from General Funds for operational funding requirements and allocations will be determined by a total return process that will seek to ensure that such withdrawals are sustainable over the long-term and will not erode the capital base of the Funds. As noted above, the main equity indices delivered positive earnings and dividend growth during 2011 and this is expected to continue for 2012; however, continuing uncertainty surrounding issues like sovereign debt, fiscal austerity measures and deficit reduction measures in developed economies have the potential to deliver surprises to the downside.

- **Unit Trusts**

Extracts from the financial statements of the two RB General Unit Trusts for the year ended 30 June 2011 are included as Appendix D (page 93).

Distribution rates for the RB General Unit Trust (RI) and the RB General Unit Trust (NI) were unchanged on the previous year, and were facilitated by drawing further on the dividend equalisation reserves.

- **Asset Management**

Over the years, the general investment policy or strategy for in-house managed funds has been to focus on long-term capital and income growth and to seek to optimise the long-term total return for the Representative Body and its trust beneficiaries. To this end, 2012 will mark the first year for the implementation of the total return concept in the management of General Funds and the initial restructuring of in-house portfolios which began in 2011 will continue throughout 2012 with an emphasis on enhanced risk management. A copy of the Statement of Investment Policy Principles (SIPP) for in-house managed funds is included as Appendix E (page 112).

The UK and Foreign section of the General Funds is managed from London by Lazard Asset Management.

The investment of the Clergy Pensions Fund is delegated by the Trustee to the RCB Investment Committee, in accordance with the Trustee's Statement of Investment Policy Principles. At present, the Fund is invested passively with Irish Life Investment Managers. Information relating to the investments for the Clergy Pensions Fund may be found in the Financial Statements which form part of the report of the Church of Ireland Clergy Pensions Trustee Limited (Appendix F to this report, page 118) and a copy of the Statement of Investment Policy Principles (SIPP) for the Clergy Pensions Fund is included as Annex 5 to that report (page 157).

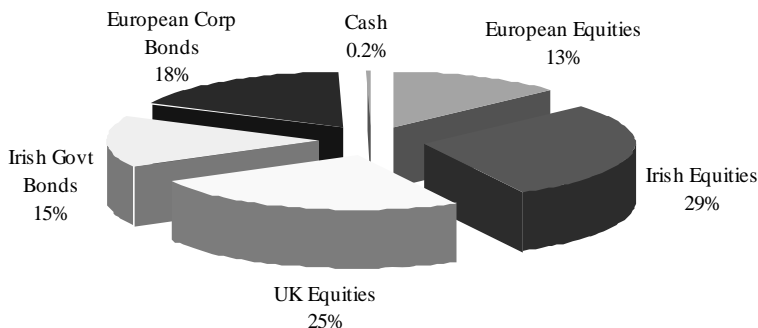
The RB General Unit Trusts (and a portion of the General Funds) portfolios are managed by the staff of the Representative Body's investment department reporting to the Investment Committee.

The Investment Committee meets with its external managers on a regular basis to review policy, performance and investment strategy.

# GENERAL FUNDS PORTFOLIO BY GEOGRAPHICAL AND ASSET CATEGORIES – 31 DECEMBER 2011

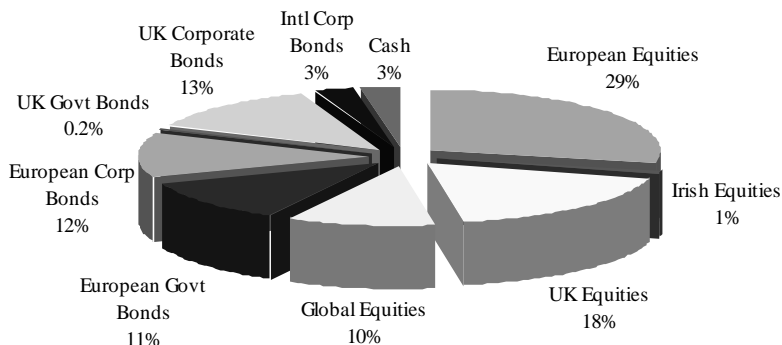
## Under in-house management

€17.5m



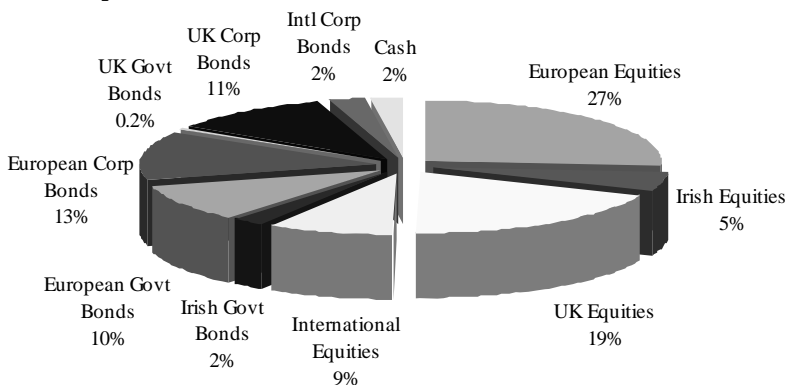
## Under Lazard management

€11.1m (£92.8m)



## Combined portfolio

€28.6m



## CLERGY REMUNERATION AND BENEFITS

### • Minimum Approved Stipends (MAS) 2012

Legislation passed by the General Synod in 2011 amending Section 51 (1) of Chapter IV has enabled the Standing Committee to determine levels of MAS annually on behalf of the General Synod. As a consequence the timing of the annual MAS review process now allows for up-to-date economic data, conditions, earnings trends and indices at 30 June to be taken into account when levels of MAS are being determined in September for the following year.

The following factors were taken into account in September 2011 in determining levels of MAS to take effect from 1 January 2012:

*Republic of Ireland* – Since the determination of MAS levels for 2011, average inflation had been at 0.2% whilst earnings comparators indicated reductions in levels of earnings.

*Northern Ireland* – Since the determination of MAS levels for 2011, average inflation had been at 4.8% whilst earnings comparators showed increases in the region of 2.5%.

In light of these indications it was agreed by Standing Committee, on the recommendation of the Representative Body, that there be no change in the Republic of Ireland MAS and a 2% increase in the case of Northern Ireland MAS. Consequently, levels of Minimum Approved Stipend for 2012 are:

	2012	2011
Northern Ireland	£26,008	£25,498
Republic of Ireland	€36,219	€36,219

These levels are the same as the provisional recommendations brought to the General Synod in May 2011, for consideration in the event of the failure of the legislation to amend the MAS approval process.

### • Minimum Approved Stipends – Quinquennial Report

The *Constitution of the Church of Ireland* requires that the Representative Body report every fifth year on the implementation of section 51 of Chapter IV and whether any amendment is expedient or necessary.

Since the last quinquennial report in 2007 statutory minimum stipends have increased from £23,350 to £26,008 (+11.38%) and from €32,851 to €36,219 (+10.25%). Over the same period inflation increased by 18.0% in the UK and by 7.0% in the Republic of Ireland.

While inflation remains an important element in determining annual stipend increases, the Stipends Committee also takes account of average earnings growth in comparison with other sectors and national wage agreements where applicable.

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In the case of Northern Ireland since the last report these comparators show increases ranging from 10% to 14%. For the Republic of Ireland they range from 1.5% to 8%.

The Representative Body is satisfied that no amendment to the Constitution is expedient or necessary at this time.

### • Episcopal costs

The breakdown of total Episcopal costs is summarised as follows:

	Republic of Ireland		Northern Ireland	
	€	€	£	£
	2012	2011	2012	2011
(1) Stipends together with state insurance costs	492,090	491,532	274,707	268,141
(2) Pension costs	244,261	175,800	70,404	62,622
(3) Offices of the Sees expenses	326,784	328,197	174,216	174,406
(4) See Houses and other costs	329,756	243,874	160,594	133,428
<b>Totals (gross)</b>	<b>1,392,892</b>	<b>1,239,403</b>	<b>680,921</b>	<b>638,597</b>
(5) Less endowment income	(269,449)	(207,594)	(39,120)	(61,627)
<b>Totals (net of income)</b>	<b>1,123,441</b>	<b>1,031,809</b>	<b>641,801</b>	<b>576,970</b>

*Note: Amounts are denominated in the currency relating to the jurisdiction of the See. For allocations purposes, amounts are denominated in the currency in which expenditure will occur.*

Notes relating to the figures above:

- (1) Gross stipend and employer's state insurance contribution.  
(ie costs that relate to the bishops on a personal basis)

Stipends are multiples of minimum approved stipends as follows:

Archbishop of Armagh	2.45
Archbishop of Dublin	2.25
All Bishops	1.75

- (2) Clergy Pensions Fund contribution.  
(ie actuarially calculated contributions to episcopal pension costs)
- (3) Secretarial and office services and allowances relating to expenses of travel and hospitality.  
(ie costs that relate to the running of the office of the See)
- (4) Heating, grounds and house maintenance, insurance and service charges, secretary to the House of Bishops.  
(ie property maintenance and other costs that are shared across all the Episcopacies)
- (5) Income from investments and rent of See House lands.

# • **Locomotory Allowances 2012**

The approved locomotory allowances for 2012 are based on public service rates for Northern Ireland as at 1 April 2010 and Revenue approved civil service rates for the Republic of Ireland as at 1 July 2008, as follows:

		Northern Ireland
Per mile:	first 8,500 miles	65.00p
	over 8,500 miles	16.40p
		Republic of Ireland
Per km:	first 6,437 km	78.76c
	over 6,437 km	37.94c

Locomotory allowances have historically been benchmarked against civil service rates of allowances in the Republic of Ireland and public service rates in Northern Ireland.

As reported to the General Synod in 2010, the Government in the Republic of Ireland significantly reduced the civil service rates of allowances in 2009. However, in view of the extent to which the locomotory allowance forms part of the total remuneration package for clergy, it was agreed in 2009 that the rate for 2010 should remain at the rate applicable prior to the reduction in civil service rates. In 2010 and again in 2011 it was agreed to maintain this same locomotory allowance rate for the following year despite civil service rates remaining at their reduced level.

The Northern Ireland public service rates applicable from 1 April 2010 were not revised in 2011 as negotiations were taking place between the National Employers for Local Government and the National Joint Council (NJC) on the revision of the formula used for devising the rates. In view of the ongoing it was agreed by the Representative Body that the rates applicable from 1 January 2012 should remain the same as those adopted for 2011.

# • **Children’s Allowances 2011/2012**

The Children’s Allowances Scheme is designed to assist clergy and surviving spouses with the cost of secondary school education or higher level education leading to primary qualifications including certificate, diploma and degree.

Grants are paid on a *per capita* basis, without any form of means test, in respect of each child as follows:

	Academic year starting 1 September 2011	
	Republic of Ireland	Northern Ireland
Over 11 attending secondary school	€600	£100
Third level students (up to age 23)	€300	£400
Eligible orphans	€600	£400

Grants may be paid in respect of a child under 11 years of age where that child is in residence at a boarding school or, in exceptional cases, in respect of a student who may be over age 23. In either case, grants are at the sole discretion of the Representative Body.

Grants are also available from other sources eg Clergy Daughters, Secondary Education Committee (Republic of Ireland only), Clergy Sons and Jubilee Fund (both under the management of Protestant Aid).

- **Clergy Car Loans**

Car loans for clergy are available from the Representative Body in accordance with the following formula, linked to the statutory Minimum Approved Stipend (MAS):

	New Cars	Used Cars
Maximum loan	MAS x 2/3	MAS x 1/2
Maximum term	4 years	3 years
Interest rate per annum	8%	8%

This ratio of maximum loan to minimum stipend is designed to maintain a reasonable relationship between borrowing capacity and ability to pay. At 31 December 2011 there were 73 loans outstanding with a total value of €474,644.

- **Central Church Fund – Removal (relocation) Grants**

Grant assistance is available to clergy towards the cost of moving household belongings to/from a rectory/curatage on a new appointment or retirement. Grants are generally not made to any one individual more frequently than at a three year interval other than in exceptional circumstances or on appointment as a Dean or Bishop/Archbishop.

The approved level for an individual relocation grant is limited to 2/3 of actual cost and is subject to a maximum of €4,000 or £2,000 in the case of moves within the island. In the case of moves to the island the maximums are €5,000 and £4,000.

With prior approval an equivalent grant amount may be paid towards the procurement of furniture in lieu of the cost of a move into the island. Claims for such grants must be supported by receipted documentation.

## **CLERGY PENSIONS**

- **Trusteeship of the Clergy Pensions Fund**

The revised Chapter XIV of the *Constitution of the Church of Ireland* approved by General Synod in 2010 came into force on 1 January 2011.

In accordance with the provisions of the revised Chapter XIV, which constitutes the Trust Deed and Rules of the Clergy Pensions Fund (“the Fund”), the Church of Ireland Clergy Pensions Trustee Limited (“the Trustee”) began discharging its responsibilities as corporate Trustee of the Fund as from 1 January 2011.

The Representative Body is the sole member of the Trustee Company.

The first annual report of the Church of Ireland Clergy Pensions Trustee Limited is included in Appendix F to this report (page 118).

- **Pensionable Stipend**

Following the passing of legislation at the General Synod in 2011 the annual approval process for Pensionable Stipend was changed in line with changes to the approval process for Minimum Approved Stipend (see Clergy Remuneration and Benefits, page 30). In accordance with the revised process the Representative Body and the Trustee in September 2011 brought a recommendation on Pensionable Stipend levels for 2012 to the Standing Committee. The recommended levels for 2012 were £25,498 per annum in Northern Ireland and €36,219 per annum in the Republic of Ireland, remaining unchanged from 2011 levels.

The provisional recommendations brought to the General Synod in May 2011, for consideration in the event of the failure of the legislation to amend the approval process, had included an increase of 1.75% in Pensionable Stipend for Northern Ireland. However, in light of the changed financial circumstances of the Fund since the last valuation date, when undertaking the review in September it was agreed to recommend that 2012 levels remain unchanged from 2011.

- **Discretionary increases to pensions in payment**

The Representative Body during 2011 approved a recommendation from the Church of Ireland Clergy Pensions Trustee Limited, made on the advice of the Actuary, that due to the financial position of the Clergy Pensions Fund, no discretionary increases be applied to pensions in payment for the year 2012. Further details may be found in the Report of the Trustee (page 124).

- **Supplemental Fund and other funds**

The Church of Ireland Pensions Board administers the Supplemental Fund and certain other funds on behalf of the Representative Body. A report on the administration of these funds during the year ended 31 December 2011 is attached as Appendix G to this report (page 169).

- **Additional Voluntary Contributions (AVCs) – trusteeship of Scheme**

The Representative Body in 2011 agreed to bring proposals to the General Synod in 2012 to transfer the trusteeship of the Church of Ireland Voluntary Contributions (AVC) Scheme from the Representative Body to the Church of Ireland Clergy Pensions Trustee Limited (“the Trustee”). It is also proposed that responsibility for the administration of the Scheme be transferred to the Trustee.

A resolution seeking to transfer the trusteeship and administration of the Scheme to the Trustee is set out on page 54 of this report and is submitted to the General Synod for consideration.

A Bill to amend Chapter XIV Section 50 of the *Constitution of the Church of Ireland* reflecting the change in the administration of the Scheme will also be submitted to General Synod and will be found in the Bill Pamphlet circulated to Synod members.



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An amendment to the Rules of the AVC Scheme will also be required. The resolution submitted to General Synod, if passed, will authorise the Trustee to enact rules in relation to the Scheme.

### • Contributions from central funds to the Clergy Pensions Fund

Regular contributions from central funds to the Clergy Pensions Fund are currently made at a percentage rate of Pensionable Stipend in accordance with Section 38 of Chapter XIV of the *Constitution of the Church of Ireland*. A contribution of €890,000 was made during 2011 and a contribution of €65,837 (€19,018 plus £289,697) for 2012 is included in the recommendations to the General Synod for allocation (see page 21).

The amount of these regular contributions is currently decreasing (except in the case of contributions payable under Section 39 of Chapter XIV), as a series of capital sums of €m from central funds is paid into the Fund in accordance with the draft Funding Proposal reported to General Synod in 2010. Capital contributions of €m from central funds were made in 2010 and 2011 and it is proposed that a further €15m of capital from central funds be paid into the Fund over the years 2012-2014.

### • Clergy Pensions Fund solvency

As can be seen from the Actuary's Certificate, issued to the Trustee of the Clergy Pensions Fund ("the Fund") (page 156), the most recent actuarial valuation of the Fund (as at end September 2009) indicated that at that time the assets of the Fund were sufficient to cover only 67% of the liabilities under the Minimum Funding Standard (MFS) measure. In his Certificate the Actuary goes on to state that he is "not satisfied that as at 31 December 2011 the Church of Ireland Clergy Pensions Fund would have met the Minimum Funding Standard".

Last year, Synod was advised that the working group established by the Executive Committee to seek to ensure the survival of the Fund and to identify ways in which to restore its solvency had reported to the Representative Body in December 2010. The RCB was advised that the working group believed that it would be premature to propose further changes to the Fund pending sight of the new legislation promised by *An Bord Pinsean* in relation to its rules governing the measurement of the solvency of defined benefit pension plans, ie the minimum funding standard (MFS). At that time it was expected that this new legislation would be published by mid 2011, at which stage the working group would be able to identify how best the solvency of the Fund, both in the short term and longer term, might be restored and be in a position to bring definitive proposals to the 2012 Synod.

At the time of writing this report no new legislation has been published. However there have been strong rumours that, while *An Bord Pinsean* may make some changes in the overall regulations relating to defined benefit plans, it is likely to re-introduce the previous method of measuring a scheme's MFS. In anticipation of such an outcome, the working group has been developing proposals designed to restore both the long term solvency of the Fund and to seek to make good the anticipated MFS

deficit which would likely arise when the method of measuring MFS is finally published.

**The long term solvency of the Fund** – In December 2011 the working group made a detailed presentation to the RCB in which it identified that, as a result of the continuing turmoil on financial markets, the very low yields on quality (eg German) bonds and the general increase in longevity of scheme members, the valuation of the liabilities of the Fund had again increased. Against this background, despite the range of measures agreed at the 2010 Synod, the Actuary advised the working group that the Fund's long term deficit had increased to some €14.5m. He further advised that in order to restore its long term solvency, the overall funding rate would have to increase from the existing 30% to some 40%. (It is perhaps interesting to note that virtually all defined benefit pension plans both in the Republic and in the UK and Northern Ireland have had a similar experience in 2011).

Having regard to the existing financial pressure on parishes, dioceses and on members, the working group then undertook to develop proposals in relation to changes to the Normal Retirement Age (NRA) for current members and the introduction of a further period of freeze to both future pension increases and future increases to Pensionable Stipend which would result in the funding rate remaining at circa 30%. (See Appendix H on page 178 for a more detailed description of the key changes which have been identified.)

**The short term solvency of the Fund – the Minimum Funding Standard (MFS)** – while the changes referred to above will, hopefully, restore the solvency of the Fund in the longer term (say in 20 to 30 years), the Fund is also required to pass *An Bord Pinsean's* short-term solvency test, the MFS. The MFS is a snap-shot of the Fund were it to be wound up at that point in time. The changes, referred to above, developed to restore the long-term position have little impact on the short-term solvency position. The Actuary has computed that as at January 2012 the MFS deficit of the Fund (calculated on the current basis) was €61m. If one were to assume that the changes in NRA and the freezes referred to above were implemented, then the MFS deficit is reduced to €55m. This means that were the RCB required to file a Funding Proposal with *An Bord Pinsean* at this time, then it would have to show how this €55m deficit is to be made good over, at most, the next 10 years.

As noted above, future changes in Fund benefits have little impact on the “snap-shot” MFS deficit. Accordingly this deficit can only be made good through the injection of further funds into the Fund, *or the promise of same*. What might be the source of these additional funds? It is unlikely that additional finance could come from the RCB's General Funds. These General Funds have declined from €238m in 2007 to a current level of €131m. This has resulted in severe constraints being imposed on the activities of the wider Church. Having regard to the current financial strains on both parishes and members, it is unlikely that any sizeable financial contributions could be secured from this quarter. Accordingly the working group has identified that the best approach is to put in place *a promise* that the RCB would arrange for a payment of this sum to the Fund, *were it to be required*. This would constitute the RCB granting

to the Fund *a lien* over a (significant) part of the Church's assets. It would do this in the hope/expectation that such funds would not have to be paid over into the Fund and that the long term solvency of the Fund is restored as set out previously.

This is a high risk strategy. It is always possible that in the medium or long term, investment returns and/or markets do not perform as we hope/expect and that at a some later date, the €5m "*promise*" is translated into an actual transfer of €5m from the Church's assets to the Clergy Pensions Fund. Were this to happen a serious further curtailment of many of the activities of the wider Church would ensue. More worryingly, at some later date, as a result of new clergy being appointed and admitted to the Fund, the liabilities of the Fund will increase and the MFS deficit might, at that point, be even greater than the current €5m. This is a real and significant risk for the Church of Ireland and one which the RCB has considered in detail with the Executive and the working group, seeking a solution which would, under the current prevailing circumstances, be in the best interests of both the wider Church and of the current members of the Fund.

A means of reducing or at least containing this risk has been identified. It involves *closing the Clergy Pensions Fund to new members*, and providing pensions for subsequently appointed clergy through a Defined Contribution scheme.

Formulating such a proposal has not been achieved without considerable care and thought. It is not what the RCB would like to do. However, in the circumstances in which it finds itself, it believes that it is both a prudent and responsible move which needs to be made in order to seek to preserve the Clergy Pensions Fund Defined Benefit scheme for its current members and to seek to preserve as much as possible the activities of the wider church.

**What exactly is being proposed and when will it happen ?** - the schedule set out in Appendix H on page 178 provides some greater detail of the package of changes which is currently being developed.

These proposals may well have to be refined further when *An Bord Pinsean* finally publishes its new funding standards. Accordingly, due to the significant and radical nature of these planned changes and the current absence of a definitive MFS measure, it is intended that legislation to seek to give effect to these changes will not be brought to Synod until 2013. This will give the working group, the Executive and the RCB additional time further to develop the proposals, to consult with the Trustee and to consider the detail of how they might best be introduced. It will also provide appropriate time to prepare the necessary legislation for the 2013 Synod in the context of the new MFS standard when it is published.

## PROPERTY AND TRUSTS

- **General**

The funding for the conservation of historic buildings and other heritage projects from government departments remains very limited due to the cutbacks in Government spending and as a result, priority is being given to projects that support capital works to heritage buildings at risk and creation of employment through the Heritage Management Grant Scheme. There may be limited funding available for significant places of public worship, large-scale projects and conservation plan led projects but generally, reduced funding will undoubtedly impact on parishes where church conservation projects are being planned.

The property market in the Republic of Ireland and Northern Ireland continued to have difficulties during 2011 with both jurisdictions experiencing somewhat similar percentage drops in prices, when adjusted for inflation, since the peak prices of September/October 2007. The current lack of confidence in the market due to public spending cuts, high unemployment, reduced take-home incomes and the continuing scarcity of finance, gives little optimism for anything other than a sluggish and uncertain property market for 2012.

The income from rented property remained reasonably stable during 2011 but there appears to be a rural/urban split within the market, where rural rents have fallen somewhat but with these falls being offset by increasing rents in urban areas. When house prices get out of line with underlying rents, a correction that inevitably takes place is that rents stabilise or increase, while house prices fall and this is the situation which is currently being experienced in most areas of the country.

- **Roles and Responsibilities**

As the legal owner of the vast majority of Church of Ireland properties held in trust for the Church, the Representative Church Body has both a statutory function as laid down in Chapter X of the *Constitution of the Church of Ireland* and a general duty of care under the common law. Property transactions by their nature involve strategic, technical and legal issues which must be considered in great detail and processed with accuracy and technical certainty. The procedure for dealing with Church property may appear cumbersome and bureaucratic from time to time, given the chain of decision making from Select Vestry through Diocesan Council and finally by the Representative Church Body in its corporate legal role. However, this is a consistent, careful and transparent process which reflects this duty of care to past, present and future generations and the legal responsibilities of trustees and custodians.

- **Title and Contract Issues**

Timely notification of potential property transactions taking account of the time which can elapse for procedural reasons is always helpful especially where a title, underlying trust, covenant or mapping problem emerges on investigation. It is important too that no implied contracts are entered into between local parish representatives and contractors or developers prior to formal approvals being given by the Representative Body and all legal formalities having been observed.

- **Church Fabric Fund**

The Church Fabric Fund (Constitution of the Church of Ireland, Chapter X Part IV) is held by the Representative Body to make grants to defray 'the costs, in whole or in part, of restoration or repair of the fabric of any Church or Chapel, if same is vested in it, and it is satisfied that it is in use and certified by the Diocesan Council to be essential for worship by the Church of Ireland'. The Fund was established in 1930 and has grown from the allocation of a minimum of 20% of the net proceeds arising from the majority of churches sold to a capital fund of €4,854,828 and £514,741. Grants of €53,175 and £149,300 were allocated by the RCB from the income of the Fund on the recommendation of the Primate in 2011. Applications for grants, subject to criteria, are considered in March and October (details from Church of Ireland House, Dublin). A list of grants allocated during 2011 is included as Appendix I (page 179).

- **Marshal Beresford Fund**

Grants of €48,475 and £41,650 for repairs to Churches were made from the Beresford Fund in 2011. The allocation of the income, in accordance with the trusts, is made by the Archbishop of Armagh who does so in conjunction with his recommendations for grant assistance from the Church Fabric Fund.

- **The See House, Armagh**

The official opening of the new See House at Cathedral Close, Armagh took place on 2 February 2012. The project was completed within fifteen months.

- **The See House, Connor**

A new See House at Upper Malone Road, Belfast, was purchased during the year to replace the previous property at Greenisland, which was sold in 2009.

- **The See House, Kilmore, Cavan**

Planning Permission for the proposed new See House at Kilmore, Cavan, was granted by Cavan County Council in August 2011. Tenders for the project will be issued in January 2012 with a view to the new See House being completed by Spring 2013.

- **The See House, Tuam**

The sale of the Bishop's House, Knockglass, Crossmolina, Co Mayo, was approved in 2008 and the consent of the Diocesan Council pursuant to Section 12 of Chapter 10 of the Constitution was subsequently given in 2009. Following the resignation of Bishop Henderson, it was decided to proceed with the sale of the Bishop's House and to market it both nationally and internationally during 2011. The property remains unsold at this time.

A replacement See House at Summerfield, Claregalway was acquired during the year.

- **The See House, Limerick**

The Bishop is presently residing in rented accommodation at Adare, Co Limerick.

It has proven difficult to obtain a suitable permanent residence for the Bishop in an appropriate location, despite a number of options being explored. A further proposal in relation to the provision of a new See House is being considered.

- **Stained Glass Windows (surveys)**

The professional survey of stained glass windows in the Church of Ireland by Dr David Lawrence, an expert in stained glass, has resulted in surveys in St Patrick's Cathedral Dublin, Christ Church Cathedral Dublin, the Dioceses of Cork, Cloyne and Ross (including St Fin Barre's Cathedral), Armagh, Clogher, Derry and Raphoe, Meath and Kildare, Cashel and Ossory, Ferns, Tuam, Killala and Achonry, Dublin and Glendalough, Kilmore, Elphin and Ardagh, Limerick, Ardfert, Aghadoe, Killaloe, Clonfert, Kilmacduagh and Emly. It is planned to complete the fieldwork and photography in the Diocese of Armagh during 2012 and also to commence the survey in the Diocese of Connor.

To date funding of €236,342 has been received from the Heritage Council towards the project. The Representative Church Body is grateful for the generous ongoing support of the Heritage Council for this important work and has itself contributed €278,944 towards the project over the past eleven years.

The Stained Glass Database (Gloine) which was launched in April 2008 is available on the internet at [www.gloine.ie](http://www.gloine.ie). The database enables the user to search by diocese, church, artist, studio, religious subject matter and date.

- **Churchyard and Graveyard Walls**

Potentially serious financial loss to parishes due to ageing walls surrounding churchyards and graveyards was again evident in 2011. Parishes are strongly advised to inspect walls regularly, to seek technical advice and to carry out preventative maintenance where possible. Parishes should be vigilant when any form of development takes place on adjoining or adjacent sites and ensure that buttresses, foundations and other supporting structures are not interfered with to the detriment of the churchyard or graveyard walls.

- **Insurance**

Where church premises are occupied by a third party under a lease or licence agreement, it is obligatory that parishes obtain written confirmation from the insurance company of the occupant that they have a policy of public liability insurance in place. Parishes should not enter into arrangements with third parties to receive contributions towards public liability insurance costs, unless such arrangement has been discussed with and has received the sanction in writing of their insurance company.

It is imperative that parishes ensure all graveyards in their care are adequately covered by a policy of public liability insurance.

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A circular concerning the matter of parish insurance policies was issued recently to all parishes in the Republic of Ireland and Northern Ireland following advice from the Representative Church Body's insurance advisors.

- **Safety and Parish Premises**

The attention of select vestries is drawn to current health and safety legislation in the Republic of Ireland and Northern Ireland, particularly in relation to the 'occupier's' duty of care to visitors and recreational users of church property. It is imperative that each parish should have a formal Health and Safety Statement and that parish premises should meet the required standards.

- **Household Charge (Republic of Ireland)**

### **Local Government (Household Charge) Act, 2011**

The Household Charge is an annual charge (set at €100 for 2012), which is payable by owners of residential property. It was introduced in the Republic of Ireland on **1st January 2012** by the Local Government (Household Charge) Act, 2011.

There are, however, a number of exemptions from the Household Charge, including buildings which are in the ownership of an approved charity.

The Department of the Environment, Community and Local Government has confirmed that as the Representative Church Body is an approved charity, any residential building in its ownership is therefore **exempt from the charge**. This will apply to any glebe (rectory), curatage, sexton's house or other residential building within a parish which is vested in the Representative Church Body. There is no need to apply for an exemption as this will be automatic.

Parishes should make their own enquiries with the Department of the Environment, Community and Local Government regarding the status of any parish residential properties which are not in the ownership of the Representative Church Body.

Further details in respect of the Household Charge can be found at [www.householdcharge.ie](http://www.householdcharge.ie)

- **Septic Tank Charge (Republic of Ireland)**

### **Water Services (Amendment) Bill 2011**

The proposed legislation for the introduction of charges on septic tanks, including a registration and inspection system has yet to be finalised but this is expected in 2012.

- **Energy Performance of Buildings - European Communities Regulations 2006**

### **Northern Ireland (Energy Performance Certificate) and Republic of Ireland (Building Energy Rating Certificate)**

Section 7 of the European Communities Energy Performance of Buildings Directive (EPBD) requires that, when a building is constructed, sold or rented, a Certificate

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detailing its energy consumption must be made available to the prospective purchasers or tenants. These certificates in Northern Ireland are called *Energy Performance Certificates* and in the Republic of Ireland *Building Energy Rating Certificates*.

From 1 January 2009 all new and existing domestic dwellings, regardless of age must have an Energy Performance/Rating Certificate when being offered for sale or rent.

Energy Performance or Building Energy Rating Certificates are not required for the following:

- Places of Worship;
- Protected Structures/National Monuments;
- Buildings used for the purpose of carrying out religious activities;
- Temporary buildings and certain non-habitable agricultural and industrial buildings with low energy demand;
- Stand alone buildings with a useful floor area of less than 50 m<sup>2</sup>;
- If a building is to be demolished after sale.

The Certificate, when issued, will cover a property for a period of 10 years.

It is the responsibility of parishes to arrange for *Energy Performance Certificates* or *Building Energy Rating Certificates* to be obtained where required.

### • **National Heritage Memorial Fund Grants (Northern Ireland)**

Parishes in Northern Ireland may make application to the National Heritage Memorial Fund for a grant to assist in the preservation and maintenance of a church. The Church of Ireland has benefited considerably from such grants in recent years. The project must be seen as being of particular importance to the national heritage. Conditions applying to the terms of the grant include a requirement that the church building must be open for 40 days a year, apart from Sundays. Additionally, it should be ensured that the church will remain viable for a considerable period as there is a ten year clawback period in respect of the grant. Formal approval must be sought from the relevant Diocesan Council and the Representative Body before an agreement may be entered into in respect of a grant.

### • **Listed Places of Worship Grant Scheme (Northern Ireland)**

The Listed Places of Worship Grant Scheme returns, in grant aid, all or part of the actual amount spent on VAT on eligible repairs to listed places of worship. It is designed to assist the repair of places of worship where the costs would be the responsibility of a local congregation or a recognised denomination or faith group. The building must be used as a place of worship at least six times a year.



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### The Scheme:

- applies only to repairs and maintenance to listed buildings that are used principally as places of worship;
- applies to listed places of worship throughout the UK which are included on the public registers of listed buildings;
- applies to listed places of worship owned by or vested in specified organisations which look after redundant churches;
- is non-discretionary;
- covers work carried out on and after 1 April 2001;
- only accepts applications made in arrears.

It should be noted that the amount of VAT returned is determined by the date of the repair works:

- Eligible works carried out **between 1 April 2001 and 31 March 2004** will receive the difference between 5% and the actual amount of VAT paid.
- Eligible works carried out **on or after 1 April 2004** can reclaim the full amount of VAT paid.

It has been announced that funding for listed places of worship will continue for a further 4 years from April 2011 and the following points should be noted:

- To make the scheme ‘financially sustainable’ the terms have already been tightened (with effect from 4 January 2011) by removing the eligibility of professional fees and repairs to clocks, pews, bells and organs.
- There will be an annual fixed maximum budget of £12 million from the Department for Culture, Media and Sport. The Department intends to discuss with faith groups and denominations how the scheme can best operate within that budget. Further announcements will be made in due course.
- The way the scheme works will be reviewed so it can be managed in the most simple and un-bureaucratic way possible in order to stay within the budget cap that has already been announced.
- The last date for receipt of applications under the current arrangements (ie the tightened ones) will be 31 March 2011.
- Following the increase of VAT to 20% from 4 January 2011, it has been confirmed that the current scheme will continue to refund up to the full VAT paid for works that remain eligible.

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- For any ‘rejected’ claims that are subsequently resubmitted, the date of receipt will be the date on which the resubmitted claim is received and not the date the original claim was received.

Full information and application forms may be obtained from the website [lpwscheme.org.uk](http://lpwscheme.org.uk) or contact:

Listed Places of Worship Grant Scheme,  
PO Box 609, Newport NP10 8QD,  
South Wales  
Tel: 0845 601 5945

- **All Churches Trust Limited**

All Churches Trust Limited supports appeals from churches for building and restoration projects, repair of church fabric, church community initiatives, religious charities, charities preserving UK heritage and other charitable causes. Grants are made out of income derived from All Churches Trust Limited’s wholly owned subsidiary, Ecclesiastical Insurance Office Plc. Full information and application form may be obtained from the website [www.allchurches.co.uk](http://www.allchurches.co.uk)

- **Big Lottery Fund (Northern Ireland)**

Applications can be made to the Big Lottery Fund (see [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk)) for grants towards works to buildings such as church halls, which are used to bring improvements to the lives of people most in need in their communities, bringing them together to enjoy a wide range of charitable, community, educational, environmental and health-related activities.

- **Leader Funding (Republic of Ireland)**

There are 36 individual companies administering Leader funding throughout rural areas in the Republic of Ireland. These companies use different names based on their location, and often are referred to as Integrated Local Development Company, Leader Company, the Leader Partnership or the Local Action Group (LAG). They all administer this particular rural development fund and must apply consistent rules for administering the money. Each LAG will have different priorities based on their local plan and the needs of the area. Parishes have benefited through applications to the fund in their area and have received grants for building works which fall into the relevant criteria, such as the upgrading of rural heritage and renewal and development. Contact your local Leader Group for advice.

- **Civic Structures Conservation Grants Scheme (Republic of Ireland)**

The Scheme, operated by the Department of the Environment, Heritage and Local Government, provides grants in relation to the restoration and conservation of the architectural heritage of buildings which are in public ownership or open to the public generally and which are seen as being of considerable architectural merit. This includes

places of worship. Closing date for applications is generally mid-February each year. Details may be obtained from the Department's website at [www.environ.ie](http://www.environ.ie)

- **The Heritage Council Buildings at Risk Scheme**

Operated by the Heritage Council for repairs to historic buildings. Details may be obtained from the Heritage Council's website at [www.heritagecouncil.ie](http://www.heritagecouncil.ie) and from the Heritage Council, Church Lane, Kilkenny, Co Kilkenny.

- **The Heritage Council Significant Places of Worship Grant Scheme**

The Department of the Environment, Heritage and Local Government set up the Grant Scheme in 2008, administered by the Heritage Council, to assist in meeting the costs of major conservation works for Cathedrals, Churches and other Places of Public Worship of national importance in the ownership of religious bodies. Details may be obtained from the Heritage Council's website at [www.heritagecouncil.ie](http://www.heritagecouncil.ie) and from the Heritage Council, Church Lane, Kilkenny, Co Kilkenny.

- **Architectural Heritage Protection for Places of Public Worship (Republic of Ireland) – Guidelines for Planning Authorities**

The text of the Guidelines is available on the Department of the Environment, Heritage and Local Government website at [www.environ.ie](http://www.environ.ie)

- **Church Buildings Sub-Committee**

The Church Buildings Sub-Committee was formed in September 2008 and performs the duties previously undertaken by the former Historic Churches Advisory Committee, whose functions were assigned to the RCB Property Committee in 2008. The Church Buildings Sub-Committee reports directly to the Property Committee and its membership comprises the Ven D S Mclean and Mrs J Leighton (both of whom are members of the Property Committee).

The Committee's principal function is to report to the Property Committee on applications received in respect of Forms of Certificates of Consent to Alterations, also known as the 'Blue Form'. Following a recommendation made by the Historic Churches Advisory Committee at its final meeting on 16 September 2008, the wording of the Blue Form was altered from "...it will not be necessary to apply to The Representative Church Body for their express consent...." to read **"...prior to signature by the Bishop or Ordinary and before Planning Permission is sought, it will be necessary to apply to The Representative Church Body for their express consent to the proposed improvements..."**. The alteration in procedure is to ensure that appropriate approval is obtained before parishes enter into the planning process.

When submitting a Form of Certificates of Consent to Alterations, to enable the Church Buildings Sub-Committee to consider the matter fully, it is essential that it is accompanied by supporting documentation, for example, illustrations of proposed

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stained glass windows, the proposed wording for a memorial plaque, or plans for the re-ordering of a church.

During the year, the Church Buildings Sub-Committee reviewed and approved 32 applications. These included items such as the erection of memorial plaques, and stained glass windows, the installation of public address and loop systems, general restoration works and the re-ordering of interiors of churches to provided space for meetings.

In the Republic of Ireland, in instances where a church is included in the List of Protected Structures, it is essential that parishes notify their Local Authority of any proposed alteration and gain the requisite agreement. Ecclesiastical Exemption in Northern Ireland means that Listed Building Consent is not required for internal alterations, but it is recommended that NIEA Built Heritage should be notified where a church is a Listed Building. In order to assist parishes, a step by step guideline is set out below on the procedures which should be followed in respect of any proposed alteration in both Northern Ireland and the Republic of Ireland, in order to comply with Church and State regulations.

### *Northern Ireland*

- ❖ Appoint an Architect with expertise in the conservation of historic buildings.
- ❖ Establish if the Church is a listed building.
- ❖ Where any alteration in the structure, ornaments, furnishings or monuments of a church (whether by introduction, alteration or removal) is being contemplated, a Form of Consent to Alterations (available from the Representative Church Body) should be completed and the approval of the Bishop or Ordinary obtained.
- ❖ Obtain the approval of the Diocesan Council and the Representative Church Body to any works involved in the church building development that is not covered by the Form of Consent to Alterations.
- ❖ Alterations to churches are subject to the same planning requirements for obtaining planning permission as unlisted buildings but 'The Ecclesiastical Exemption' applies to the interior and therefore Listed Building Consent is not required but it is recommended that NIEA Built Heritage should be consulted.
- ❖ Obtain the consent of the relevant Planning Authority to the proposed works, if applicable.
- ❖ Refer to the NIEA Built Heritage website at [www.doeni.gov.uk/niea](http://www.doeni.gov.uk/niea)

### *Republic of Ireland*

- ❖ Appoint an Architect with expertise in the conservation of historic buildings.
- ❖ Establish if the Church is listed as a Protected Structure under the Planning and Development Acts.

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- ❖ Where any alteration in the structure, ornaments, furnishings or monuments of a church (whether by introduction, alteration or removal) is being contemplated, a Form of Consent to Alterations (available from the Representative Church Body) should be completed and the approval of the Bishop or Ordinary obtained.
- ❖ Obtain the approval of the Diocesan Council and the Representative Church Body to any works involved in the church building development that is not covered by the Form of Consent to Alterations.
- ❖ Obtain the consent of the relevant Planning Authority to the proposed works, if applicable.
- ❖ Refer to the Architectural Heritage Protection – Guidelines for Planning Authorities, ‘Places of Public Worship’ Chapter 5. Available on the Department of the Environment Heritage and Local Government website at [www.environ.ie](http://www.environ.ie)

Supplies of Forms of Certificates of Consent to Alterations may be obtained from the Property Department, Representative Church Body, Church of Ireland House, Rathmines, Dublin 6 (Email: [property@rcbdub.org](mailto:property@rcbdub.org))

### **Advice Series on Built Heritage**

In the Republic of Ireland, the Department of the Arts, Heritage and the Gaeltacht have also published an excellent advice series on the following aspects of Built Heritage:

- Access - Improving the Accessibility of Historic Buildings and Places
- Bricks - A Guide to the Repair of Historic Brickwork
- Conservation of Places of Worship
- Energy Efficiency in Traditional Buildings
- Iron - The Repair of Wrought and Cast Ironwork
- Maintenance - A Guide to the Care of Older Buildings
- Roofs - A Guide to the Repair of Historic Roofs
- Ruins - The Conservation and Repair of Masonry Ruins
- Windows - A Guide to the Repair of Historic Windows

The above publications can be downloaded at:  
[www.pobail.ie/en/Publications/HeritagePublications](http://www.pobail.ie/en/Publications/HeritagePublications)

### **Website**

The website set up by the Historic Churches Advisory Committee, [www.hc.ireland.anglican.org](http://www.hc.ireland.anglican.org) remains in operation and provides information on the care and maintenance of churches. The website is also linked to the Church of Ireland website [www.ireland.anglican.org](http://www.ireland.anglican.org)

## **LIBRARY AND ARCHIVES COMMITTEE**

### **• Summary**

The principal focus of the Library's work continues to be the provision of resources for ministerial training through the sourcing, accessioning and cataloguing of new books, the re-cataloguing of the existing book stock, the management of a borrowing facility and the provision of study space.

During 2011 further substantial progress has been made on converting the card catalogue of printed books to a new online catalogue which will provide universal access through the Library's website ([www.library.ireland.anglican.org](http://www.library.ireland.anglican.org)). At the end of 2011, 29,594 books were available on the online catalogue.

Further progress was also made, with the assistance of the Church House IT Department, in populating the Library's website with introductory information and in making lists and indexes of archives and manuscripts available online.

Additional tranches of parish, diocesan and cathedral records were transferred to the Library from local custody. The Library manages, and makes available to an increasing number of researchers, records from 1032 parishes, chapels of ease and chaplaincies, 20 dioceses and 20 cathedrals as well as 919 collections of ecclesiastical manuscripts.

In addition the Library has continued to discharge its curatorial responsibilities for church plate and episcopal portraits, and for the editorial dimension of the *Church of Ireland Directory*.

### **• Allocations**

No funds were allocated by the General Synod for the purchase of books and conservation, and expenditure on these items was largely met from accumulated resources. Welcome donations were received from Cashel and Ossory dioceses (€400); Clogher diocese (€150); Ferns diocese (€400); Mr Henry Alexander (€500); Irish Section of the Huguenot Society of Great Britain & Ireland (€350).

### **• Staffing**

The Library staff was augmented by a student from the MA in Historical Archives programme in NUI Maynooth who will work in the Library, on placement, for two days each week for the duration of his one year course.

### **• Accessions**

Books and periodicals were purchased to meet the requirements of those in training for ministry and the needs of the wider church. In particular continued purchasing was required to meet the needs of the new courses in the Church of Ireland Theological Institute. These purchases were augmented by donations from publishers, authors and from a number of individuals, notably the Rt Rev DAR Caird, Very Rev LDA Forrest, Canon GPSJ Hilliard, the Very Rev RSJH McKelvey, Canon WD Sinnamon, the Rev GDB Smith.

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The principal archival accessions were records from 77 parishes, bringing to 1032 the number of parish collections which the Library manages. In addition there was a sizable deposit of Ossory, Ferns & Leighlin diocesan registry papers and there were 32 accessions of miscellaneous manuscript material among which were a collection of letters to Archbishop Lord John George Beresford in 1839 relating to a proposal to establish a new Divinity Hall in TCD; correspondence of Archbishop Beresford relating to the diocese of Ossory, Ferns & Leighlin, 1825-42; and sermons of Bishop Godfrey Day and Dean Hamilton Leckey.

A list of accessions of archives and manuscripts to the Library during 2011 is included as Appendix J (page 180).

- **Storage**

A small amount of additional shelving was installed in the reading room and in one of the strong rooms. However, the shortage of storage space in the Library, for both books and archives, remains a problem and one which will continue to increase. A further consignment of semi-current material was transferred to storage in the basement in Church of Ireland House.

- **Ministerial Training**

In support of ministerial training, one of the core functions of the Library, induction sessions were provided for ordinands in the Theological Institute, for those in part-time training, and for students on the Foundation Year programme.

On the weekends on which there was NSM training in the Theological Institute the Library remained open until 7.30 pm.

- **Cataloguing**

Work continued on converting the catalogue of printed books from cards to computer. Almost 30,000 books have been processed and these are available online through the Library website.

Work is continuing on converting the older theological and historical book stock, but in the absence of staff who can be dedicated to this task, this project will take many years.

Records from 76 parishes were listed.

The records of the General Convention of 1870 were catalogued as were several smaller collections relating to the Cambridge British & Foreign Bible Society, the TCD Divinity Hall proposal, and collections relating to Archbishop John George Beresford, the Rev JA Nicholson, the Rev Alexander Alcock and Professor Edmund Curtis.

- **Conservation**

Thirteen volumes of parish records were repaired and rebound and sixteen volumes of reference works were bound.

The 16<sup>th</sup> cent. Liber Albus of Christ Church Cathedral, Dublin, was digitized.

- **Church Plate**

Progress continued to be made with the church plate inventory and over 90% of the inventories have been returned and checked. The transfer of plate from local custody continued as parishes reduced the holdings in their safes and removed items from local banks and continued to facilitate the re-allocation of pieces to other parishes. The Library holds some 680 pieces of church plate.

- **Episcopal Portraits**

Two portraits from the Down & Dromore collection, which had been on exhibition in Lisburn Museum, were conserved and re-hung in the See House.

An unidentified portrait from the Cashel & Ossory collection, subsequently identified as Robert Daly, bishop of Cashel, 1843-72, was conserved and hung in the Deanery.

Temporary storage was provided for the Tuam collection which had been hung in the old See House in Crossmolina.

- **Outreach**

The fifth volume in the Library's texts and calendars series, *The vestry records of the parish of St Bride, Dublin, 1662-1742*, edited by WJR Wallace, was published.

Grants were obtained from the Esme Mitchell Trust and from the Environmental Fund to begin the work of cataloguing and digitizing the Library's collection of architectural drawings of churches.

Library staff gave presentations on aspects of the Library's holdings during Heritage Week in Dublin and contributed to the Library Association of Ireland's seminar on the provision of genealogical services; facilitated the BBC with filming for two television programmes; contributed to the 'Mount Merrion 300' exhibition and to the King James Bible anniversary exhibition in Christ Church Cathedral, Dublin; and facilitated students from the MA in history course in NUI Maynooth.



## **AMENDMENT TO BY-LAWS OF THE REPRESENTATIVE CHURCH BODY**

The Representative Body in May 2011 amended its By-Laws to change the prescribed start time of its September meeting from 2.00pm to 10.30am. This change was made to facilitate the revised process for the annual approval of Minimum Approved Stipend and Pensionable Stipend by enabling the necessary recommendations to be considered by the Representative Body in the morning and submitted onward to the Standing Committee in the afternoon.

## **DONATIONS AND BEQUESTS TO THE CHURCH OF IRELAND**

### **• Trustee role of the Representative Church Body**

The Representative Body was incorporated by Charter to hold property and funds in trust for the Church. As a permanent trustee body it administers a large number of trusts donated or bequeathed for specific Church purposes, parishes and dioceses.

There is considerable advantage in donating or bequeathing in trust to a permanent trustee body such as the Representative Body (or the Church of Ireland Trustees in Belfast) rather than to local trustees. For instance, with a permanent trustee body there is no need to appoint new trustees from time to time.

Donations and bequests can be in the form of money, stocks and shares, securities, chattels, houses or lands or the whole or part of the residue of an estate. They can be left to the Representative Body in trust:

- for the general purposes of the Church of Ireland; or
- for any particular funds of the Church or any diocese or parish; or
- for any particular Church purpose.

The Representative Body applies funds arising from a specific donation or bequest strictly in accordance with the purposes declared in the trust instrument or Will. However, the Church of Ireland is in great need of unfettered funds to help finance its ongoing responsibilities – training ordinands, providing retirement benefits for clergy and their spouses and maintaining the ministry generally. An unfettered donation or bequest can be given or left to the Representative Body in trust “for such charitable purposes in connection with the Church of Ireland as the Representative Body of the Church of Ireland may from time to time in its absolute discretion approve”, giving the Church the flexibility to finance its most pressing needs from time to time. (Please see suggested Form of Bequest below.)

### **• Tax relief on charitable donations**

#### ***Northern Ireland***

The Gift Aid scheme gives tax relief on charitable donations and is available to all taxpayers resident in Northern Ireland. Tax can be reclaimed on donations of any size, as long as the amount reclaimed does not exceed the amount of tax paid by the donor during the tax year. Information on how to avail of Gift Aid is available from Church of Ireland House, Dublin.

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The total value of the subscriptions collected under Gift Aid on behalf of parishes in 2011 was £5,131,648 to which the income tax recovered by the Representative Body added £1,439,730 to give a total of £6,571,378 as compared with £6,345,503 in the previous year. This figure includes an element of transitional relief which was provided by the Government to allow charities to adjust to the fall in basic rate tax from 22 per cent to 20 per cent and is paid in respect of all qualifying Gift Aid donations made to charities between 6 April 2008 and 5 April 2011. For that period, for claims submitted within two years of the end of the relevant accounting period, the charity/parish will continue to receive 28p for every pound donated under Gift Aid.

HM Revenue & Customs announced during 2010 that backdated claims and Gift Aid declarations can now only go back four years rather than six.

It was announced in the 2011 Budget that, from April 2013, charities that receive small donations of £10 or less will be able to apply for a Gift Aid style repayment without the need to obtain Gift Aid declarations for those donations. The amount of small donations on which the new repayment can be claimed will be capped at £5,000 per year, per charity. The Representative Body will be contacting parishes during 2012 to advise how this should be administered.

### ***Republic of Ireland***

Tax relief is available on donations of €250 or more made by individuals and corporate donors to eligible charities and approved bodies. In the case of donors who are PAYE only, tax reclaimable by the charity represents 25% of the original donation for standard rate tax payers and 69% of the original donation for higher rate tax payers, this higher rate relief being retained in the 2011 budget. If donors are self-assessed for tax purposes, relief is available at the appropriate tax rate against the donation value.

Many parishes and the Bishops' Appeal have benefited greatly from this tax relief and they are utilising the opportunity to maximise the value of parochial and charitable giving. Information on the reclaim process is available from Church of Ireland House, Dublin.

### • **Form of Bequest**

The following suggested Form of Bequest grants the Representative Body, as Trustee, permission to invest in any investments or securities at its sole discretion. Circumstances may alter from time to time and this Form of Bequest gives the Trustee freedom to act in the best interests of the parochial or other fund concerned.

The Representative Body also recommends consulting a Solicitor to ensure that any bequests made under Will are valid and satisfy legal requirements.

*"I GIVE, DEVISE AND BEQUEATH ..... [here insert clear particulars of the benefaction ie, a particular sum of money, specific property, a share of the residue etc] to the Representative Body of the Church of Ireland in trust for ..... [here insert clear particulars of the object for which the benefaction is to be applied eg, parochial funds of the parish of ..... in the diocese of ..... or, as a perpetual endowment for the stipend of*

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the incumbent of the parish of ..... in the diocese of ..... *or*, for such charitable purposes in connection with the Church of Ireland as the Representative Body of the Church of Ireland may from time to time in its absolute discretion approve].

I direct that any funds received by the Representative Body in pursuance of this my Will may be invested in any investments or securities whatsoever in its sole discretion and in all respects as if it were absolutely and beneficially entitled thereto.”

### • **Donations, Bequests and Funds Received**

A full list of funds received by the Representative Body in 2010 on behalf of parishes, dioceses and special trusts is included as Appendix K (page 186).

### • **Trusts for Graves**

The Representative Body does not accept any trust for the provision, maintenance or improvement of a tomb, vault, grave, tombstone or other memorial to a deceased person unless a specific benefit will accrue to the parish concerned.

## MISCELLANEOUS AND GENERAL

### • **Deposit Interest (Rates)**

The rates of interest allowed or charged by the Representative Body are linked to the rates ruling from time to time in the money market. The following rates of interest were applied by the Representative Body in 2010:

QUARTER ENDED	€		£	
	Dr %	Cr %	Dr %	Cr %
31 March	3.50	2.30	2.50	1.65
30 June	3.50	2.30	2.50	1.75
30 September	3.60	2.20	2.75	2.00
31 December	3.70	2.70	3.00	2.25

These rates only apply to revenue balances to credit of diocesan and other accounts and not to permanent capital other than in cases where, for some reason, there may be a delay in making a long-term investment (eg proceeds of sales of glebes). Interest is calculated on daily balances and time weighted.

### • **Inflation Statistics (5 year review)**

Year on year (December)	UK (RP Index)	Republic of Ireland (CP Index)
2007	4.0%	4.7%
2008	0.9%	1.1%
2009	2.4%	-5.0%
2010	4.8%	1.3%
2011	4.8%	2.5%

## RESOLUTIONS RECOMMENDED TO THE GENERAL SYNOD

The Representative Body recommends that the following resolutions be adopted by the General Synod:

### I. Allocations

That the General Synod hereby notes that the Representative Body has made the following provisions for allocations for 2012:

	€
Group A – Maintenance of the Stipendiary Ministry	1,448,672
Group B – Pension related costs	731,612
Group C – Training of Ordinands	1,287,261
Group D – General Synod Activities	924,980
Group E – Miscellaneous	5,500
	<hr/>
	4,398,025
	<hr/>

### II. The Church of Ireland Voluntary Contributions Scheme

By resolution adopted on 21<sup>st</sup> May 1985, the General Synod approved the establishment of the Church of Ireland Voluntary Contributions Scheme (“the Scheme”) as a scheme of retirement benefits supplementary to the system provided by Chapter XIV of the Constitution of the Church of Ireland. By the same resolution, the General Synod appointed the Representative Body to act as trustee of the Scheme and authorised the Church of Ireland Pensions Board to arrange and administer the Scheme. The General Synod also directed that a report on the operation of the Scheme be included annually in the Report of the Church of Ireland Pensions Board.

The Representative Body is desirous of appointing The Church of Ireland Clergy Pensions Trustee Limited (“the Trustee Company”) to act as trustee of the Scheme and to administer the Scheme and proposes the following motion:

That the General Synod

- (a) appoints the Trustee Company to act as trustee of the Scheme and to administer the Scheme in place of the Representative Body and the Church of Ireland Clergy Pensions Board respectively;
- (b) authorises the Trustee Company to enact such rules as it considers appropriate to carry this resolution into effect;
- (c) directs that a report on the operation of the Scheme be included annually in the Report of the Trustee Company.