

## APPENDIX A

**Extract from the accounts of  
THE CHURCH OF IRELAND THEOLOGICAL INSTITUTE**


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**INCOME AND EXPENDITURE ACCOUNT****For the year ended 30 June 2012**

	2012	2011
	€	€
<b>Income</b>		
Grants from General Synod	716,642	747,788
Divinity student fees	138,603	137,240
Receipts from guests and conference	57,626	50,937
Non-stipendiary ministry training	2,165	6,459
Clergy study courses	3,300	3,884
Interest	5	779
Foundation course	28,800	37,317
CME/lay training	63,175	-
Children's ministry	6,349	-
	<u>1,016,665</u>	<u>984,404</u>
<b>Expenditure</b>		
Academic expenses	414,777	379,251
Administration expenses	111,368	109,925
Operating expenses	278,706	272,992
Establishment expenses	219,946	216,459
Transfer to Chapel Library	-	1,113
	<u>1,024,797</u>	<u>979,740</u>
<b>(Deficit)/surplus for the year</b>	(8,132)	4,664
Balance at beginning of the year	5,002	38,945
Opening balance paid to RCB	(5,002)	(37,742)
<b>Balance at the end of the year</b>	<u>(8,132)</u>	<u>5,867</u>

Income and the surplus arose solely from continuing operations. There were no other recognised gains or losses other than those dealt with above.

**Extract from the accounts of  
THE CHURCH OF IRELAND THEOLOGICAL INSTITUTE**

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**BALANCE SHEET**

**As at 30 June 2012**

	2012 €	2011 €
EMPLOYMENT OF CAPITAL		
<b>Fixed assets</b>	6,432	19,892
	<hr/>	<hr/>
<b>Current assets</b>		
Sundry debtors	86,837	49,042
Bank deposit accounts	9,370	9,368
Bank current accounts	34,979	21,441
Cash on hand	57	12
	<hr/>	<hr/>
	131,243	79,863
<b>Creditors – amounts falling due within one year</b>	(137,450)	(80,029)
	<hr/>	<hr/>
<b>Net current liabilities</b>	(6,207)	(166)
Total assets less current liabilities	225	19,726
<b>Creditors – amounts falling due after more than one year</b>	(7,569)	(13,859)
	<hr/>	<hr/>
<b>Net (liabilities)/assets</b>	(7,344)	5,867
	<hr/>	<hr/>
<b>Capital and trust funds</b>		
Accumulated (deficit)/surplus	(8,132)	5,002
Ferrar Memorial Fund for Liturgical Library	65	91
Gregg Memorial Fund for College Library	723	774
	<hr/>	<hr/>
	(7,344)	5,867
	<hr/>	<hr/>

## APPENDIX B

## FUND PERFORMANCES – COMPARATIVE TOTAL RETURNS

	2012 %	3 year annualised 2010-2012 %	5 year annualised 2008-2012 %
<b>General Funds</b>			
General Funds (In-House)	30.5	7.1	-7.2
General Funds (Lazard)	19.4	10.0	1.8
<b>Parochial, Diocesan Funds etc</b>			
RB General Unit Trust (RI)	22.3	8.0	-3.6
RB General Unit Trust (NI)	17.0	9.5	4.3
<b>Market Averages</b> (a)			
<i>ISEQ Index</i>	20.4	7.3	-11.0
<i>Merrill Lynch Irish Govt Bond Index</i>	29.3	7.4	6.3
<i>FTSE Eurotop 100</i>	14.9	5.2	-2.2
<i>FTSE All Share Index (€)</i>	15.7	11.0	0.9
<i>FTSE All Share Index (£)</i>	12.5	7.7	2.7
<i>Merrill Lynch Sterling Broad Market Bond Index</i>	6.1	9.1	7.0

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(a) Total returns assume reinvestment of dividends and are quoted gross.

## APPENDIX C

### SOCIALLY RESPONSIBLE INVESTMENT

#### ANNUAL REVIEW AND REPORT OF THE INVESTMENT COMMITTEE TO THE REPRESENTATIVE CHURCH BODY (SEPTEMBER 2012)

Ethical considerations form an integral part of the Representative Church Body's investment management process in keeping with its Christian witness and values.

The RCB seeks to invest in companies which will develop their business financially and generate acceptable investment returns for the shareholders, but which also demonstrate equitable employment, incorporate good corporate governance practices, are conscientious with regard to environmental performance and human rights and act with sensitivity to the communities in which they operate. The use of 'positive' ethical criteria in assessing companies is firmly incorporated within our ethical investment policy, although 'negative' criteria are also applied.

The Representative Body is committed to striking a balance between investment that takes account of ethical considerations (which are complex and sometimes subjective) and the implications of Trust Law, which places a fiduciary responsibility on the RCB, as Trustee, to obtain the best risk adjusted financial return possible for the trust beneficiaries.

The RCB recognises that, given the complex and changing structures of many companies and their diversified subsidiary interests, some may develop/acquire business interests in areas the RCB might otherwise wish to avoid. Disinvestment will be considered if these interests become a material proportion of the focus or business activity of the company with any disposals to take place within a six month time frame (so as to minimise any possible monetary loss).

Investment is avoided in any company that produces cluster munitions systems or manufactures pornographic products. In addition, investment is to be avoided in companies where a material share of revenue is derived from strategic military sales or the manufacture of tobacco products. (The term 'strategic' military sales is used to refer to products or services that are essential for military operations. Parts or services that are either not material to military capability, or are generic parts or services which are also widely used for non-military purposes are deemed to be 'non-strategic').

The RCB remains sensitive to the issues of environmental damage, human rights and using animals for product testing (cosmetics in particular) and endeavours to invest in companies with high standards and policies in these areas. The investment managers have been charged with the authority to participate in constructive engagement with companies on these issues where deemed appropriate and following engagement, if no satisfactory conclusion can be reached, disinvestment may be considered.

The Investment Committee monitors and reviews the RCB's investments including an ethical assessment at least once each year.

In addition, the Committee reviews the research findings of the Ethical Investment Advisory Group of the Church of England and participates in the Church Investors' Group (a formal group representative of various Churches in the UK and Ireland) through correspondence and attendance at review meetings.

Following this year's annual review, and having received written reports from our external fund managers, the Investment Committee is satisfied that the investments held for all funds are consistent with the RCB's investment policy and that the investment managers continue to be sensitive to the Church's expectations on socially responsible investment issues.

**APPENDIX D**

**GENERAL UNIT TRUSTS**

**FINANCIAL STATEMENTS**

**AND**

**INVESTMENT MANAGER'S REPORTS**

**YEAR ENDED 30 JUNE 2012**

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RB General Unit Trust (Northern Ireland)	103

**THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

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**FUND OBJECTIVE**

To at least maintain the capital value of the Fund in real terms over time while paying a stable, sustainable and competitive distribution rate.

**MARKET REVIEW**

**EUROPE**

The period under review was dominated by the ongoing crisis in the Eurozone. Equity markets sold off severely over the third quarter of 2011 following the row over the US debt ceiling and subsequent S&P downgrade of the US, combined with unsustainable bond yields in the Eurozone periphery. Special liquidity measures from central banks, together with solid corporate earnings saw a strong recovery over the latter months of 2011 and the first quarter of 2012. However, fresh concerns over the viability of the single currency re-surfaced once more, initially focussed on Greece, followed by Spain, where a banking solvency problem developed similar to that in Ireland. The wider European Index (including the UK) declined by 4.4% while the more narrowly focussed Euro Stoxx 50 Index fell by over 16%.

Having increased interest rates in early summer 2011, the ECB reversed course under new president Mario Draghi providing substantial liquidity to the banking sector via two 3-year funding operations (LTRO's) which helped avert a more serious credit contraction. However, it could not prevent the periphery areas falling back into recession while growth elsewhere slowed to barely positive levels.

In Ireland political stability and adherence to the 'bail-out' conditions saw dramatic falls in bond yields over the period from 11.5% to 6%. Unlike Spain or Italy, the Irish market had no regular supply of bonds, hence yields were responsive to relatively good news.

**UK**

The UK equity market, like all global markets, was not immune to the Eurozone debt crisis with major macro economic issues driving market volatility and risk appetites over the period. The FTSE 100 Index fell by 2.2% over the period whilst UK gilts on the other hand, exhibited strong gains as a beneficiary of the 'flight to quality', and support from the Bank of England.

The UK economy slipped back into recession in early 2012 as GDP fell by 0.3% in the first quarter, the second consecutive quarterly contraction. Meanwhile the Bank of England maintained rates at 0.5% over the period and continued with its Quantitative Easing Policy (QE) to provide further monetary stimulus.

Sterling appreciated by 12% versus the Euro over the 12 months to end June 2012, a major factor in the relative out-performance of UK assets.

**THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

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**KEY CHANGES TO THE FUND**

The fund has undergone a gradual re-structuring over the year in order to better meet the challenging global macro-economic back-drop while achieving the fund's primary objective of long-term capital improvement. This has taken place at three levels: Asset allocation, sector exposure and stock specific risk. At each level the manager has sought to diversify risk while utilising pre-defined parameters to take advantage of opportunities as they arise.

In terms of total equity exposure a range of 50-80% was established using the FTSE Eurotop 100 as a benchmark (this is a mix of Continental and UK equities). By way of example, in Q3 2011 equity exposure was raised to c.75% as global markets were sold off to valuations that reflected an earnings collapse. In the event, following Central bank liquidity measures and better than expected company profits, markets performed strongly. Risk was subsequently cut back in February and March 2012 to c.60% in equities. On the fixed income side of the portfolio, 15% of benchmark is now allocated to non-Irish bonds.

At the sector level, a maximum in any one sector of 20% was agreed to safeguard against concentrations in risk. In financials the fund has remained below 10% (versus a benchmark of 17%) while disposing of most bank holdings in favour of quality insurers such as Zurich Financial and internationally diversified stocks such as Fairfax of Canada.

The Fund also exited its positions in UK listed global mining companies on account of a possible hard landing/slowdown in China and re-invested into alternative materials companies including fertiliser companies K&S and Yara and precious metals company Fresnillo.

At stock level the manager seeks to control risk by limiting any one equity exposure to under 2.4% of fund value and also by predominantly holding larger, dividend paying companies. For bonds, equivalent size and quality criteria are applied. The Fund exited its positions in Irish Sovereign debt in favour of Government Guaranteed bank debt which offered additional return for equivalent level of risk.

This strategy is reflected in the asset allocation at June 2012 where equities comprised 62% of the Fund's assets compared to 79% as at June 2011. Cash levels at 7% are relatively high but considered prudent in the current risk environment. The top ten equities are given in the table overleaf and demonstrate the geographic distribution and diversity of the portfolio.

Performance both in absolute terms (+12.5%) and versus benchmark was strong over the 12 month period reflecting the above factors.

All companies must comply with the Representative Church Body's socially responsible investment policy.



**THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)**  
**INVESTMENT MANAGER'S REPORT**  
**YEAR ENDED 30 JUNE 2012**

**PERFORMANCE**

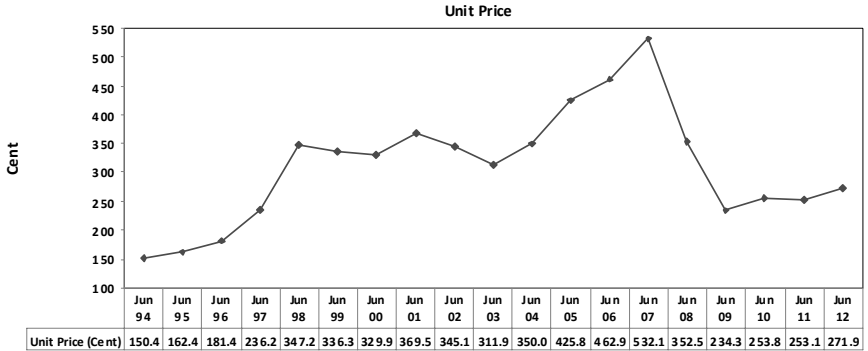
During the period under review the capital value of the Fund rose by 7.4% while the total return (capital and income) was 12.5%. This compares with the fund benchmark of 6.5%.

**Annualised Total Returns:**

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
FTSE Eurotop 100 Index*	-4.4%	9.1%	-5.0%	2.4%
FTSE 100 Index (€)*	9.3%	15.7%	-3.1%	3.3%
DJ Eurostoxx 50*	-16.2%	2.5%	-8.9%	0.5%
ML Irish Government Bond Index	44.7%	5.3%	4.4%	4.7%
ML Euro Bond Index	7.1%	4.7%	5.1%	4.7%
 RB General Unit Trust (RI)	 12.5%	 9.8%	 -8.4%	 1.7%

\* net returns

The historic price of a unit is detailed in the below chart.



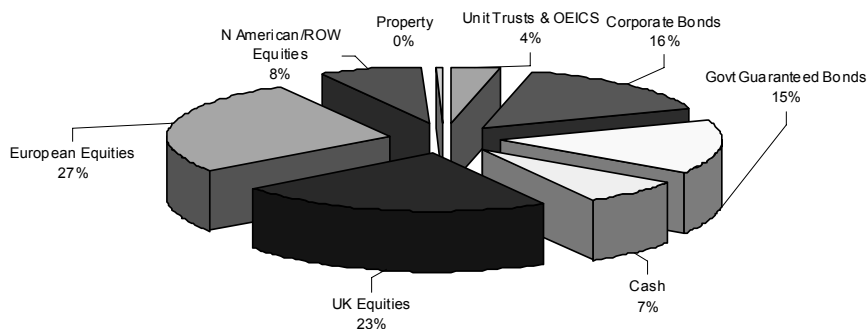
**THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

**TRUST ASSET DISTRIBUTION**

The investment profile in terms of distribution of the assets (by value) at 30 June 2012 is displayed in the following chart:



The market value of the investments, including the value of the capital deposit account was €142,613,633. Of this figure, the value of euro denominated securities (including some international securities) plus cash held by the Trust was €91,244,503 (64% of the total Fund value).

The value of the UK holdings (denominated in sterling) including sterling cash was £41,444,614 (36% of the Fund). The closing EUR/GBP exchange rate was 0.8068 (2011: 0.9026).

The ten largest equity holdings at 30 June 2012 were:

	% of Fund		% of Fund
1. Eni	2.2	6. Fairfax	2.0
2. E.On	2.1	7. CRH	1.9
3. SSE	2.0	8. Diageo	1.9
4. Exelon	2.0	9. Royal Dutch Shell	1.8
5. Tesco	2.0	10. Yara	1.8

**THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

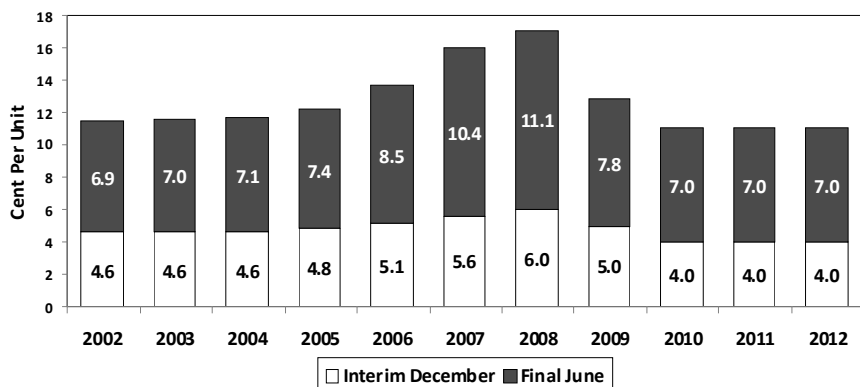
**INCOME DISTRIBUTION TO UNIT HOLDERS**

The Trust established a revised dividend reserve policy that will target a level of 2% of Fund value. The Dividend Equalisation Reserve will not be allowed to exceed 4% of Fund value and at least 80% of net income in any individual year will be distributed to unit holders. A healthy Reserve aids the management of a stable and sustainable distribution going forward.

Moderate growth continued in dividends as corporate earnings remained resilient during the year and the Trust agreed to maintain its interim distribution at 4.0 cent and its final distribution at 7.0 cent. In addition, a sum of €662,758 was transferred to the Dividend Equalisation Reserve as at 30 June 2012 in line with the revised DER policy. The balance in the Reserve at the financial year end was €2,435,695 (2011: €1,772,937).

Based on the value of a unit at 30 June 2012 of €2.72, and a full year distribution of 11.0 cent, the distribution yield was 4.04%. (The comparative figures for 30 June 2011 showed a yield of 4.3% based on a unit value then of €2.53 and a full year distribution of 11.0 cent).

**Income Distributions (2002 - 2012) – Financial Year-End 30 June**



**FUND FLOWS**

There were net outputs of €588,032 from the Fund for the twelve months to 30 June 2012, reflecting new cash of €904,222 less redemptions of €1,492,254.

**THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

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**OUTLOOK**

With Europe as a whole mired in recessionary conditions and emerging market growth decelerating, not for the first time markets look to the US for leadership and support. In this regard, the US Federal Reserve is key as the US government has no fiscal ammunition due to an ongoing deficit of over 10% of GDP and a debt level in excess of 100% of national income. It is anticipated that further QE, expanding money supply, will take place. We know from the experience of the last three years that the impact on the real economy is relatively muted as it does little to improve real incomes or final demand. However, QE does tend to inflate asset prices (good for markets in the short term) and also generates some inflation, which is badly needed by the highly indebted economies (US, Europe and Japan).

Under these circumstances we believe markets will remain broadly range-bound, with a generally negative bias from continued fiscal restraint, and the expected political backlash, off-set by central bank efforts to buoy growth. The two main unknowns on either side of this equation are i) post the US election how aggressively will the fiscal deficit be tackled and ii) will the ECB succumb to the pressure to become the major buyer of Spanish and Italian bonds?

Clearly, with all three major regions (US, Europe and China/Emerging markets) facing both economic and political changes greater than is usual, serious difficulties lay ahead. Therefore the fund's approach to risk will be to continue the prudential policy of selling into strength and using 'crisis/sell-offs' as buying opportunities. In this regard the manager utilises long-term valuation measures to maintain discipline in terms of appropriate market levels.

Specifically in equity selection, companies are selected on the basis of their balance sheet strength as this tends to reflect good management and the ability to sustainably grow their earnings and dividend distributions. We will continue to diversify across different sectors and where possible, diversify geographically within sectors, to spread risk.

Regarding bond investment, in our opinion so called 'risk free' sovereign bonds (US, UK, Germany and France) yielding 1.25% to 2% are most likely 'return free' over the medium term. In the case of UK gilts for example, locking in a 10 year yield of 1.5% is in effect eroding capital in real terms, which is contrary to our fund objective as well as falling well short of our income requirements. Apart from shorter dated Irish bonds, the fund currently holds only corporate bonds that we believe will continue to benefit from the excess liquidity provided by central banks.

Due to the long term risks of inflation eventually taking hold, as witnessed in previous episodes of monetary expansion, the fund will continue to hold the majority of its capital in real assets.

Roy Asher  
Head of Investments  
26 July 2012

**THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)**  
**STATEMENT OF TOTAL RETURN YEAR ENDED 30 JUNE 2012**

	30-Jun-12 €'000	30-Jun-11 €'000
Income	6,798	6,054
Expenses	(27)	(21)
<b>Net income</b>	<u>6,771</u>	<u>6,033</u>
<b>Distributions</b>	<u>(6,109)</u>	<u>(6,085)</u>
Transfer to / (from) dividend equalisation reserve	662	(52)
<b>Net gains / (losses) on investment activities</b>		
- Net realised (losses)	(1,841)	(7,378)
- Net change in unrealised gains on investments	5,146	11,769
- Net change in currency exchange gains / (losses)	6,617	(4,761)
<b>Net increase / (decrease) in net assets from investment activities</b>	<u>10,584</u>	<u>(422)</u>
<b>Funds brought forward</b>	135,054	135,402
Proceeds from units issued	904	434
Cost of units redeemed	(1,492)	(360)
<b>Funds carried forward</b>	<u>145,050</u>	<u>135,054</u>

Signed on behalf of the Trustee:

*RS Neill*

*HJ Saville*

Date:

17 October 2012

**THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)**

**BALANCE SHEET AS AT 30 JUNE 2012**

	30-Jun-12 €000	30-Jun-11 €000
<b>Investments</b>	<u>142,614</u>	<u>133,280</u>
<b>Current assets</b>		
Debtors	<u>2,580</u>	<u>2,116</u>
	<u>2,580</u>	<u>2,116</u>
<b>Current liabilities</b>		
Creditors (amounts falling due within one year)	<u>144</u>	<u>342</u>
	144	342
<b>Net current assets</b>	<u>2,436</u>	<u>1,774</u>
<b>Total assets</b>	<u>145,050</u>	<u>135,054</u>
<b>Trust capital fund</b>	<u>145,050</u>	<u>135,054</u>

Signed on behalf of the Trustee:

*RS Neill*

*HJ Saville*

Date:

17 October 2012

**THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

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**FUND OBJECTIVE**

To at least maintain the capital value of the Fund in real terms over time while paying a stable, sustainable and competitive distribution rate.

**MARKET REVIEW**

**UK**

The UK equity market, like all global markets, was not immune to the Eurozone debt crisis with major macro economic issues driving market volatility and risk appetites over the period. The FTSE 100 Index fell by 2.2% over the period whilst UK gilts on the other hand, exhibited strong gains as a beneficiary of the 'flight to quality', and support from the Bank of England.

The UK economy slipped back into recession in early 2012 as GDP fell by 0.3% in the first quarter, the second consecutive quarterly contraction. Data releases from the UK continued to indicate that the economy slowed; inflation, tighter fiscal measures and weakening export demand all hurt growth.

The Bank of England maintained rates at 0.5% over the financial year and has continued with its Quantitative Easing Policy (QE) to provide further monetary stimulus in an attempt to off-set the negative impacts of Eurozone weakness and the global slowdown. Although inflation remains above target at 2.8%, recent readings have been lower than expected and may contribute to the case for further QE.

The anaemic performance of the UK economy was a positive for bond markets but tends not to have too much impact on the UK equity market which derives the vast majority of its earnings from abroad. Hence the relatively good performance of the UK market, particularly versus European peers.

**EUROPE**

The period under review was dominated by the ongoing crisis in the Eurozone. Equity markets sold off severely over the third quarter of 2011 following the row over the US debt ceiling and subsequent S&P downgrade of the US, combined with unsustainable bond yields in the Eurozone periphery. Special liquidity measures from central banks, together with solid corporate earnings saw a strong recovery over the latter months of 2011 and the first quarter of 2012. However, fresh concerns over the viability of the single currency re-surfaced once more, initially focussed on Greece, followed by Spain, where a banking solvency problem developed similar to that in Ireland. The wider European Index (including the UK) declined by 4.4% while the more narrowly focussed Euro Stoxx 50 fell over 16%.

**THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

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Having increased interest rates in early summer 2011, the ECB reversed course under new president Mario Draghi providing substantial liquidity to the banking sector via two 3-year funding operations (LTRO's) which helped avert a more serious credit contraction. However, it could not prevent the periphery areas falling back into recession while growth elsewhere slowed to barely positive levels.

In Ireland political stability and adherence to the 'bail-out' conditions saw dramatic falls in bond yields over the period from 11.5% to 6%. Unlike Spain or Italy, the Irish market had no regular supply on bonds, hence yields were responsive to relatively good news.

**KEY CHANGES TO THE FUND**

The fund has undergone a gradual re-structuring over the year in order to better meet the challenging global macro-economic back-drop while achieving the fund's primary objective of long-term capital improvement. This has taken place at three levels: Asset allocation, sector exposure and stock specific risk. At each level the manager has sought to diversify risk while utilising pre-defined parameters to take advantage of opportunities as they arise.

In terms of total equity exposure a range of 50-80% was established while 20% of benchmark is now allocated to non-UK equity. By way of example, In Q3 2011 equity exposure was raised to c.75% as global markets were sold off to valuations that reflected an earnings collapse. In the event, following Central bank liquidity measures and better than expected company profits, markets performed strongly. Risk was subsequently cut back in February and March 2012 to c.60% in equities.

At the sector level, a maximum in any one sector of 20% was agreed to safeguard against concentrations in risk. In financials the fund has remained below 10% (versus a benchmark of 17%) while disposing of all UK banks in favour of quality insurers such as Standard Life and internationally diversified stocks such as Fairfax of Canada.

The Fund also exited its positions in UK listed global mining companies on account of a possible hard landing/slowdown in China and re-invested into alternative materials companies including fertiliser companies K&S and Yara and precious metals company Fresnillo.

At stock level the manager seeks to control risk by limiting any one equity exposure to under 2.4% of fund value and also by predominantly holding larger, dividend paying companies. For bonds, equivalent size and quality criteria are applied. This is particularly relevant as the fund holds no UK gilts due to their historically low yields and implied negative real returns.

This strategy is reflected in the asset allocation at June 2012 where equities comprised 58% of the Fund's assets compared to 76% as at June 2011. Cash levels at 12% are high but considered prudent in the current risk environment. The top ten equities given in the table overleaf reflect the revised geographic distribution and the increased diversity.



**THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

In last year's report we referred to a possible investment in commercial property. An initial investment was made in the Property Income Trust for Charities (PITCH); a diversified, tax efficient property fund aimed at Charities managed by Mayfair in October 2011 with a further investment in April 2012 bringing the overall exposure to 5% of the total fund.

Although the fund performed broadly in line with benchmark (+2.7%) there was a strong out-performance over the 6 months to end June 2012 reflecting some of the above mentioned actions. The main detractor from performance was due to the absence of holding UK gilts.

All companies comply with the Representative Church Body's socially responsible investment policy.

**PERFORMANCE**

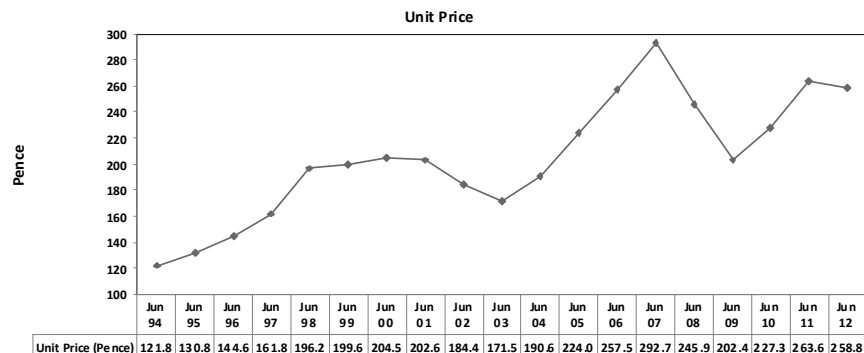
During the period under review the capital value of the Fund fell by 1.8% while the total return (capital and income) was +2.7%. This compares with the fund benchmark of 2.8%.

**Annualised Total Returns:**

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
FTSE 100*	-2.4%	13.5%	0.50%	5.6%
ML Sterling Bond Index	14.2%	9.6%	7.7%	6.1%
Eurotop 100 (GBP)*	-14.6%	7.1%	-1.6%	4.6%
RB General Unit Trust (NI)	2.7%	13.3%	2.1%	7.9%

\* net returns

The historic unit price is detailed in the below chart.



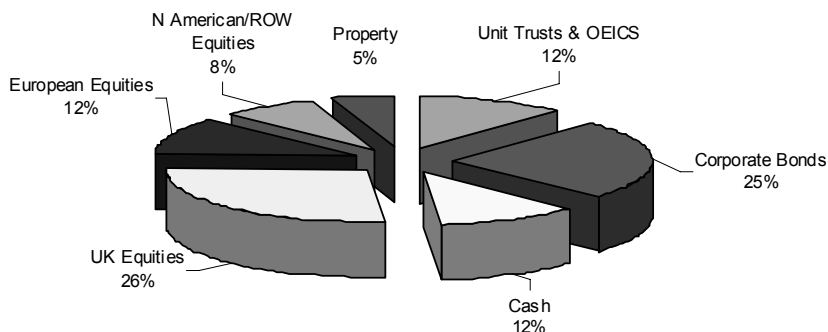
**THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

**TRUST ASSET DISTRIBUTION**

The investment profile in terms of distribution of the assets (by value) at 30 June 2012 is displayed in the following chart:



The market value of the investments, including the value of the capital deposit account was £35,028,803. Of this figure, the value of sterling denominated securities (including some international securities) plus cash held by the Trust was £26,904,062 (77% of the total Fund value).

The value of the European and/or international holdings (denominated in euro) including euro cash was €10,070,329 (23% of the Fund). The closing EUR/GBP exchange rate was 0.8068 (2011: 0.9026).

The ten largest equity holdings at 30 June 2012 were:

	% of Fund		% of Fund
1. Standard Life	2.2	6. Exelon	1.9
2. SSE	2.2	7. General Electric	1.9
3. Unilever	2.1	8. Fairfax Financial	1.9
4. Dragon Oil	2.0	9. Diageo	1.8
5. Yara	2.0	10. Teliasonera	1.8

**THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

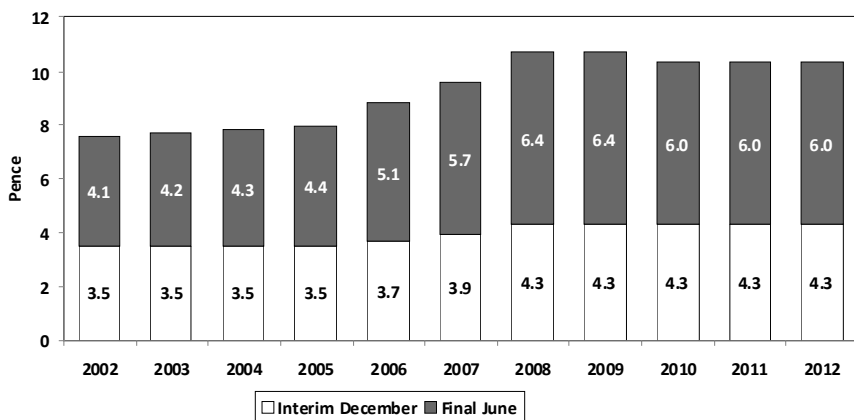
**INCOME DISTRIBUTION TO UNIT HOLDERS**

The Trust established a revised dividend reserve policy that will target a level of 2% of Fund value. The Dividend Equalisation Reserve will not be allowed to exceed 4% of Fund value and at least 80% of net income in any individual year will be distributed to unit holders. A healthy Reserve aids the management of a stable and sustainable distribution going forward.

Moderate growth continued in dividends as corporate earnings remained resilient during the year and the Trust agreed to maintain its interim distribution at 4.3 pence and its final distribution at 6.0 pence. In addition, a sum of £146,924 was transferred to the Dividend Equalisation Reserve as at 30 June 2012 in line with the new DER policy. The balance in the Reserve at the financial year end was £348,213 (2011: £201,288).

Based on the value of a unit at 30 June 2012 of £2.588, and a full year distribution of 10.3 pence, the distribution yield was 3.98%. (The comparative figures for 30 June 2011 showed a yield of 3.9% based on a unit value then of £2.636 and a full year distribution of 10.3 pence).

**Income Distributions (2002 – 2012) - Financial Year-End 30 June**



**INPUTS INTO FUND**

There were net outputs of £307,113 from the Fund for the twelve months, reflecting new cash of £617,511 less redemptions of £924,624.

**THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)**

**INVESTMENT MANAGER'S REPORT**

**YEAR ENDED 30 JUNE 2012**

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**OUTLOOK**

With Europe as a whole mired in recessionary conditions and emerging market growth decelerating, not for the first time markets look to the US for leadership and support. In this regard, the US Federal Reserve is key as the US government has no fiscal ammunition due to an ongoing deficit of over 10% and a debt level in excess of 100% of national income. It is anticipated that further QE, expanding money supply, will take place. We know from the experience of the last three years that the impact on the real economy is relatively muted as it does little to improve real incomes or final demand. However, QE does tend to inflate asset prices (good for markets in the short term) and also generates some inflation, which is badly needed by the highly indebted economies (US, Europe and Japan).

Under these circumstances we believe markets will remain broadly range-bound, with a generally negative bias from continued fiscal restraint, and the expected political backlash, off-set by central bank efforts to buoy growth. The two main unknowns on either side of this equation are i) post the US election how aggressively will the fiscal deficit be tackled and ii) will the ECB succumb to the pressure to become the major buyer of Spanish and Italian bonds?

Clearly, with all three major regions (US, Europe and China/Emerging markets) facing both economic and political changes greater than is usual, serious difficulties lay ahead. Therefore the fund's approach to risk will be to continue the prudential policy of selling into strength and using 'crisis/sell-offs' as buying opportunities. In this regard the manager utilises long-term valuation measures to maintain discipline in terms of appropriate market levels.

Specifically in equity selection, companies are selected on the basis of their balance sheet strength as this tends to reflect good management and the ability to sustainably grow their earnings and dividend distributions. We will continue to diversify across different sectors and where possible, diversify geographically within sectors, to spread risk.

Regarding bond investment, in our opinion so called 'risk free' sovereign bonds (US, UK, Germany and France) yielding 1.25% to 2% are most likely 'return free' over the medium term. In the case of UK gilts for example, locking in a 10 year yield of 1.5% is in effect eroding capital in real terms, which is contrary to our fund objective as well as falling well short of our income requirements. The fund currently holds only corporate bonds that we believe will continue to benefit from the excess liquidity provided by central banks.

Due to the long term risks of inflation eventually taking hold, as witnessed in previous monetary expansions, the fund will continue to hold the majority of its capital in real assets.

Roy Asher  
Head of Investments  
26 July 2012

**THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)**  
**STATEMENT OF TOTAL RETURN YEAR ENDED 30 JUNE 2012**

	30-Jun-12 £	30-Jun-11 £
Income	1,625	1,447
Expenses	(7)	(5)
<b>Net income</b>	<u>1,618</u>	<u>1,442</u>
Distributions	(1,471)	(1,460)
Transfer to/(from) dividend equalisation reserve	147	(18)
<b>Net gains / (losses) on investment activities</b>		
Net realised gains/(losses)	4,700	(84)
Net change in unrealised (losses)/gains	(5,146)	4,943
Unrealised exchange losses on currency movements	(211)	-
<b>Net (decrease)/increase in net assets from investment activities</b>	<u>(510)</u>	<u>4,841</u>
<b>Funds brought forward</b>	36,194	30,508
Proceeds from units issued	618	1,539
Cost of units issued	(925)	(694)
<b>Funds carried forward</b>	<u>35,377</u>	<u>36,194</u>

Signed on behalf of the Trustee:

*RS Neill*

*HJ Saville*

Date:

17 October 2012

**THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)**

**BALANCE SHEET AS AT 30 JUNE 2012**

	30-Jun-12 £'000	30-Jun-11 £'000
<b>Investments</b>	35,030	35,993
<b>Current assets</b>		
Debtors	366	207
	366	207
<b>Current liabilities</b>		
Creditors (amounts falling due within 1 year)	19	6
<b>Net current assets</b>	347	201
<b>Total fund net assets</b>	35,377	36,194
<b>Trust capital fund</b>	35,377	36,194

Signed on behalf of the Trustee:

*RS Neill*

*HJ Saville*

Date:

17 October 2012

## APPENDIX E

### THE REPRESENTATIVE CHURCH BODY (“RCB”)

#### STATEMENT OF INVESTMENT POLICY PRINCIPLES FOR IN-HOUSE FUNDS (2012)

##### 1. Introduction

The purpose of this Statement of Investment Policy Principles (the “Statement”) is to document the policies and guidelines that govern the management of the assets of RCB in-house funds (the Funds). It has been reviewed and adopted by the Investment Committee (“IC”) on behalf of the RCB (as Trustee of the Funds) and outlines the responsibilities (Section 3), objectives (Section 4), and risk management policies and processes (Sections 5 and 6) in order that:

- a) There is a clear understanding on the part of the Trustee and the in-house investment team (the “Manager”) as to the objectives and policies.
- b) There are clear principles governing the guidelines and restrictions to be presented to the Manager regarding its investment of the Funds’ assets.
- c) The Trustee has a meaningful basis for the evaluation of the investment performance of the Manager, the investment performance of the Funds as a whole and the success of overall investment strategy through realisation of defined investment objectives.

This Statement (having been first implemented in 2009) will be reviewed at least every three years, and also following any change in investment policy which impacts on the content of the Statement.

##### 2. Overview of Funds managed in-house

- a) **General Fund (in-house)** – part of the General Funds of the RCB. The General Funds of the RCB are intended for the needs of the Church as determined by the General Synod from time to time. The income on the total General Funds is available to fund the allocations determined by the RCB and the operating expenditure of the RCB. The General Funds will be managed on a ‘Total Return’ basis with effect from 1 January 2012, from which point the ‘spending rule’, as determined under the Total Return policy, will dictate the allowable level of withdrawal to fund the allocations and may be a combination of income and capital.
- b) **RB General Unit Trust (RI)** – a Common Investment Fund established under a specific Trust Deed for the investment of funds entrusted to the RCB for or by parishes and dioceses in the Republic of Ireland or for specific/general purposes or for any other trust funds administered by trustees other than the RCB which have a connection with the Church of Ireland.

- c) **RB General Unit Trust (NI)** – a Common Investment Fund established under a specific Trust Deed for the investment of funds entrusted to the RCB for or by parishes and dioceses in Northern Ireland or for specific/general purposes or for any other trust funds administered by trustees other than the RCB which have a connection with the Church of Ireland.
- d) **Allocations Reserve** – a fund, which is primarily invested in euro and/or sterling cash and government gilts, to provide some protection to the RCB against the possibility of being unable to meet allocations commitments in a particular year.

### 3. Management Structures and identification of Investment Responsibilities

#### a) The Trustee

The RCB is the Trustee. For the purposes of this Statement, the RCB is also deemed to be the Trustee for those trust funds administered by trustees other than the RCB as set out in section 2 (b) and (c).

#### b) The Investment Committee

The IC has been delegated responsibility by the RCB for overseeing and monitoring the performance of the funds' investments (as set out in section 2) and in turn has delegated the investment management to the in-house investment team. The specific responsibilities of the IC (which at all times is answerable to the Representative Body, through the Executive Committee) include:

- i. Determining the investment objectives of each of the Funds in terms of achieving the desired balance between income and capital growth and/or total return where appropriate with due regard to risk and currency
- ii. Identifying the Funds' risk tolerance levels or appetite for risk
- iii. The approval of the investment manager's strategy and asset allocation including guidelines/operational parameters and benchmarks
- iv. The approval of the criteria for social and responsible investment and reporting thereon to the RCB
- v. Monitoring and evaluating performance results
- vi. Monitoring purchases and sales of stocks and trading patterns generally
- vii. Monitoring, and if necessary changing, the custodians, consultants and others that provide services to the Funds relating to the investment or custody of assets
- viii. Making recommendations to the Chief Officer on staffing



- ix. Reporting on a regular basis to the Executive Committee of the RCB and to the RCB as required
- x. Reporting to the representatives of the unit holders in respect of the RB General Unit Trusts
- xi. Regularly reviewing this Statement, and revising as necessary

**c) The Investment Manager** (in-house investment team)

The Manager shall exercise a high degree of professionalism, prudence, skill and diligence.

The Manager's responsibilities include:

- i. Stock selection within parameters set by the IC
- ii. Making recommendations to assist the IC in the implementation of strategic issues on asset allocation, suitable benchmarks and risk exposures
- iii. Analysis and recommendation of suitable investment products or external fund managers
- iv. Preparation of investment reports for the IC
- v. Attending regular performance reviews with the IC throughout the year
- vi. Monitoring market developments and taking timely action to safeguard the integrity of the Funds (within the agreed investment strategy)
- vii. Implementing the Socially Responsible Investment requirements of the Trustee and undertaking an annual review of its compliance therewith

**d) The Administrator** (in-house Finance team)

The role of the Administrator is to ensure the security of the assets under management, to monitor and ensure receipt of related entitlements, to execute transactions, and to provide all necessary records and analysis to support the effective management of the funds.

The Administrator reports directly to the IC.

The Administrator will:

- i. Perform the administration role independent of the fund management function
- ii. Maintain robust, secure and efficient processes
- iii. Maintain a clear, accurate, up to date and accessible record of the history and status of the funds, and of individual assets in the funds

- iv. Ensure timely execution of transactions
- v. Monitor transactions and report on these in a timely and accurate manner
- vi. Provide all appropriate reports and analysis in a clear, timely and accurate fashion to support the effective management and security of the funds
- vii. Maintain and verify holdings and entitlements, and ensure that title is clear
- viii. Consult with Custodian in relation to the assets and/or any relevant corporate actions, proxy voting etc.
- ix. Manage and monitor the performance of the Custodian.

**e) The Custodian (Northern Trust)**

The Executive Committee on 15 June 2010 appointed Northern Trust as Custodian.

The role of the Custodian is to hold in safekeeping the relevant assets of the Representative Body including securities such as stocks, bonds and currency (cash), domestic and foreign. The Custodian will report to the administrator and provide any documentation needed in order to:

- i. Arrange settlement of any purchases and sales and deliveries in/out of such securities and currency
- ii. collect information on and income from such assets (dividends in the case of stocks/equities and coupons (interest payments) in the case of bonds) and administer related tax withholding documents and foreign tax reclamation
- iii. administer voluntary and involuntary corporate actions on securities held such as stock dividends, splits, business combinations (mergers), tender offers, bond calls, etc.
- iv. provide information on the securities and their issuers such as annual general meetings and related proxies
- v. maintain currency/cash bank accounts, effect deposits and withdrawals and manage other cash transactions
- vi. perform foreign exchange transactions if required
- vii. Managing a record of securities, purchases and sales and corporate actions, and provide valuations as required in an accurate and timely manner.

#### **4. Investment Objective**

It is the Representative Body's responsibility to approve the investment objectives set by the IC.

The IC has set the investment objective of the Manager to be to maximise the level of investment return at an acceptable level of risk, through adopting a prudent and well-executed investment strategy within income and socially responsible investment guidelines.

Investment guidelines are based on a long term investment horizon.

#### **5. Risk Management Policy**

The Manager will adhere to the policies and guidelines decided by the IC

- a) Investments in equities and fixed interest stocks are limited, with specific, pre-agreed exceptions, to marketable securities traded on recognised/regulated markets.
- b) The use of futures, options and other financial derivatives are only permitted with the express permission of, and minuted by, the IC. Such instruments may not be used to gear the portfolio.
- c) The portfolio is properly diversified in such a way that no one stock (with the exception of sovereign debt and pooled investments) may be more than 5% of the Fund so as to limit excessive reliance on any particular asset, issuer or group of undertakings and so as to limit accumulations of risk in the portfolio as a whole. However, in the case of significant share price appreciation of an existing holding, while the manager may not add to a stock once it exceeds 5% of the portfolio by market value, the stock may continue to be held and permitted to increase to a maximum of 10% of the portfolio value within a time frame agreed with the IC.
- d) The annual review of Investment Strategy will specify limits for aggregate holdings (equity and bonds) in any one company and will be stated in the annual review of Investment Strategy.
- e) The Socially Responsible Investment (SRI) guidelines

#### **6. Asset Allocation**

The asset allocation mix should suitably reflect the specific investment objectives of the individual Funds.

Irish, European, UK, US and Global equities and fixed income (Euro and Sterling) are viewed as appropriate assets for the Funds, being mindful of currency risks and asset and liability matching. The Manager will also review, subject to its appropriate

risk management processes, a range of alternative investment products including property, venture capital, debentures etc. in order to create a prudent, diversified and efficient portfolio while at all times being conscious of the currency of the liabilities and demands on the assets.

The Manager shall consult with and obtain permission from the IC, or if time is critical from the Chair or his nominee, before investing in untried or non-routine investment products.

Alternative investment products or funds may be included where derivatives are used; however, such products or funds must be approved by the IC.

Rebalancing between the asset classes or expansion of investment brief to take place as agreed with the IC.

The asset allocation is kept under constant review by the IC. It recognises that the strategy would expect the Funds to achieve their objectives over the longer term but that they may not always be achievable in the short term.

The performance benchmark(s) are agreed with the IC and may be amended at the discretion of the IC.

November 2012

*The Statement of Investment Policy Principles for in-house funds was agreed by the Executive Committee on 14 October 2009.*

*The Statement was modified in November 2011 to include reference to the responsibilities of the Custodian and the Total Return approach to be adopted in the management of the General Funds portfolio.*

*An amendment was made to the Statement in November 2012 to clarify the wording on the use of General Funds.*

**APPENDIX F**

**THE CHURCH OF IRELAND  
CLERGY PENSIONS TRUSTEE LIMITED**

**REPORT ON THE CLERGY PENSIONS FUND  
FOR THE  
YEAR ENDED 31 DECEMBER 2012**

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## THE TRUSTEE AND ITS ADVISORS

<b>Trustee</b>	The Church of Ireland Clergy Pensions Trustee Limited
<b>Registered Office</b>	Church of Ireland House, Church Avenue, Rathmines, Dublin 6 Tel 01-4978422 Fax 01-4978821 Email pensionstrustee@rcbdub.org Web www.ireland.anglican.org/clergypensions Company Registered in Ireland No 492302
<b>Trustee Directors</b>	<i>Nominated by the RCB Executive Committee</i> Mr Terence Forsyth Mr Geoffrey Perrin Mr John Wallace  <i>Nominated by the Church of Ireland Pensions Board</i> Rt Rev Paul Colton Mr Bruce Maxwell (Chairman)
<b>Company Secretary</b>	Mr Adrian Clements, Chief Officer and Secretary, Representative Church Body
<b>Fund Management and Advisory</b>	The Representative Church Body, Church of Ireland House, Church Avenue, Rathmines, Dublin 6
<b>Investment Managers</b>	Irish Life Investment Managers, Beresford Court, Dublin 1
<b>Investment Custodians</b>	Citibank, 1 North Wall Quay, Dublin 1
<b>Scheme Actuary</b>	Mr Paul McMahon FSAI, Mercer, Charlotte House, Charlemont Street, Dublin 2
<b>Consulting Actuaries</b>	Mercer Actuarial Services, Charlotte House, Charlemont Street, Dublin 2
<b>Auditors</b>	PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, Spencer Dock, Dublin 1
<b>Solicitor</b>	Mr Mark McWha, Senior Solicitor, Representative Church Body
<b>Bankers</b>	Bank of Ireland, College Green, Dublin 2 Bank of Ireland, Talbot Street, Dublin 1
<b>Sponsor</b>	The Representative Church Body, Church of Ireland House, Church Avenue, Rathmines, Dublin 6
<b>Registered Administrator</b>	The Representative Church Body, Church of Ireland House, Church Avenue, Rathmines, Dublin 6
<b>Enquiries</b>	The Company Secretary, Church of Ireland Clergy Pensions Trustee Limited, Church of Ireland House, Church Avenue, Rathmines, Dublin 6

The Clergy Pensions Fund is *An Bord Pinsean* Scheme no PB1667.

## CHAIRMAN'S STATEMENT

This report relates to the Church of Ireland Clergy Pensions Fund for the year ended 31 December 2012 and is intended to give all the essential information on the financial position of the Fund, its investment performance over the year and other relevant matters that occurred during the year.

**Proposed changes to the Fund** - As you are aware the solvency of the Fund has been under considerable pressure in recent years. Changes to funding and contribution rates were agreed by General Synod in 2010 and further potential changes were outlined to General Synod in 2012. In essence, the Representative Church Body as Sponsor of the Fund has determined that the financial uncertainties of continuing to operate a fully ongoing defined benefit pension arrangement expose the Church and its continued funding of core activities to an unsustainable degree of risk. The solvency implications of the revised statutory Minimum Funding Standard have reinforced this concern.

As a consequence the Sponsor proposes to make significant changes to the Fund and will present proposals to the General Synod 2013.

The main features are to close the scheme to both future new entrants and to accruals of future service for existing members. In addition the normal retirement age is to be increased for all active members and freezes on future discretionary increases in both Pensionable Stipend and pensions are proposed until 2023 or until the solvency of the Fund is restored, if sooner.

For future service of new entrants and existing active members the Sponsor proposes to introduce a Defined Contribution scheme.

As outlined later in this report the Trustee has had an opportunity to review, along with the Scheme Actuary, the proposals from the Sponsor. The Scheme Actuary has indicated that he believes the plans developed by the Sponsor set out a robust route to restoring the solvency of the Fund, so that the accrued benefits of existing members and pensions in payment can be secured as far as possible. The Scheme Actuary also supports the structure of the proposed Defined Contribution scheme. If General Synod approves the establishment of the new scheme then we expect it to be proposed that the Trustee be appointed Trustee of the Defined Contribution scheme as well as continuing as Trustee for the 'closed' defined benefit scheme.

It will be for General Synod 2013 to approve the Sponsor's proposals. The Trustee has no responsibility for making benefit changes but will continue its responsibility to ensure that whatever benefits and structures apply for members, the schemes will be administered according to the rules of Chapter XIV (as amended by General Synod from time to time) and applicable pensions and other legislation. Following its detailed review in conjunction with the Scheme Actuary of the Sponsor's proposals, the Trustee accepts that significant changes must be made to the Fund in order to restore its solvency and to protect members' accrued benefits and that the proposed benefit changes and closure of the defined benefit scheme should meet these objectives.



**The performance of the Fund in 2012** - In the year the invested assets of the Fund grew by €18.8m to a value of €127.1m at 31 December 2012. Part of this growth was due to an additional special contribution of €5m which was added to the capital of the fund by the Representative Church Body as Sponsor, such capital injections amounting to €15m in the years 2010 to 2012. In the year there was a positive return on assets, before withdrawals and capital injections, of 15.5%.

The Fund investment report is set out on page 129.

In 2012 the benefits payable and expenses of the Clergy Pensions Fund (at €7.9m) exceeded standard contributions from members and parishes (€5.2m) by €2.7m.

**Investment strategy** - The Trustee, together with the Sponsor, is in the process of reviewing the investment strategy of the Fund. A draft strategy has been developed by the Sponsor and this has been shared with the Trustee. The final shape of such a strategy will depend on the conclusion of the Triennial Valuation of the Clergy Pensions Fund by the Actuary, which will be formally agreed before the statutory deadline of 30 June 2013.

**Government levy on pensions (Republic of Ireland)** - The levy on the assets of pension funds introduced in 2011 by the Irish Government, and in place for the four years to 2014, is set at 0.6% of relevant asset value. In the case of the Clergy Pensions Fund the relevant assets at 30 June 2012 were €56.9m, representing the assets attributable to the liability of members resident in the Republic of Ireland. The levy amounted to €342,000 in 2012 (2011: €320,000).

In regard to the 2013 and 2014 charges, the Trustee notes that the Sponsor has advised that, as the levy is a tax on the assets of pension funds in the Republic of Ireland, the levies due to be payable in respect of 2013 and 2014 should be borne by members and pensioners of the Clergy Pensions Fund who are resident in the Republic of Ireland. The Trustee will take advice in relation to this and review the position in the context of the overall Funding Proposal developed following completion of the latest Triennial Valuation of the Fund.

**AVC Fund** – Following a resolution adopted by General Synod in May 2012 the role of trustee of the AVC Fund was transferred from the Representative Church Body to the Trustee. The report on the AVC Fund for 2012 is contained in the report from the Church of Ireland Pensions Board, set out in Annex 1 to this report (page 150).

**Duties** - The Trustee is pleased to report that the Fund has been administered in accordance with all regulatory requirements during the year. Under the structures established in 2011 various duties in relation to the operation of the Fund were carried out during 2012 by the RCB administration department, the Church of Ireland Pensions Board and the RCB Investment Committee. We wish to thank each of these in turn for their assistance and support to the Trustee in its management of the Fund during 2012. We also wish to express our grateful thanks to the Trustee Company Secretary Mr Denis Reardon who retired during 2012. Mr Reardon had done an immense amount of work in preparing the new Trustee company and gave willing support to all of the trustees. We

welcome Mr Adrian Clements as the new Company Secretary and are confident he will meet the standards set by his predecessor.

Finally we take this opportunity to thank the staff in Church House for their dedication and hard work on behalf of the Trustee and the Fund during the past year.

*BN Maxwell, Chairman*

12 March 2013

## **INTRODUCTION**

The Trustee presents the annual report on the operation of the Clergy Pensions Fund for the year ended 31 December 2012. The purpose of this report is to communicate with members of the Fund on the operation of the Fund and its financial position, to report to the Representative Church Body in its capacity as sole member of the Trustee, and to report to the General Synod in accordance with Section 12 (1) (o) of Chapter XIV of the *Constitution of the Church of Ireland*. The report covers the main areas of Fund activity including financial statements, actuarial and investment management, and also looks at developments during the year. The content of this report conforms to the Occupational Pensions Schemes (Disclosure of Information) Regulations, 2006 prescribed by the Minister for Social Protection under the Pensions Act 1990.

## **CONSTITUTION OF THE FUND**

The Clergy Pensions Fund, which is a defined benefit scheme, is established under Chapter XIV of the *Constitution of the Church of Ireland* as amended from time to time by the General Synod. In accordance with the latest revision of Chapter XIV, which was carried out in 2010, the Church of Ireland Clergy Pensions Trustee Limited assumed responsibility for acting as Trustee of the Clergy Pensions Fund with effect from 1 January 2011. The Representative Church Body is the sole member of the Church of Ireland Clergy Pensions Trustee Limited.

The Fund has been approved by the Revenue Commissioners as a retirement benefits scheme under Part 30, Chapter I of the Taxes Consolidation Act, 1997, and is treated as an “exempt approved scheme” for the purposes of that Act. In addition, the Fund, has been approved by the Board of the Inland Revenue of the United Kingdom as a retirement benefits scheme for the purposes of Chapter I, Part XIV, Income and Corporation Taxes Act 1988 and is treated as an “exempt approved scheme” for the purposes of Section 592 of that Act in relation to its provision of pension benefits to those members of the clergy who are living in Northern Ireland.

## **THE TRUSTEE**

The Church of Ireland Clergy Pensions Trustee Limited is the sole Trustee of the Church of Ireland Clergy Pensions Fund and is responsible for the stewardship of the Fund assets in accordance with the provisions of Chapter XIV of the *Constitution of the Church of Ireland* (the Trust Deed and Rules of the Fund). The powers and duties of the Trustee are set out in section 12(1) of Chapter XIV. In accordance with the provisions of Chapter

XIV certain duties have been delegated by the Trustee to the Representative Church Body, the Church of Ireland Pensions Board and the RB Investment Committee. The Statement of the Trustee's Responsibilities in relation to the financial statements is set out on page 134.

The Trustee Directors are appointed by the Representative Church Body, in accordance with the articles of the company, on the nomination of the Church of Ireland Pensions Board and the Executive Committee of the Representative Church Body. The Trustee Directors and the administrators have access to a copy of the Trustee Handbook and Guidance notes issued by *An Bord Pinsean*. The Trustee Directors have completed appropriate training for their duties and responsibilities, however no costs or expenses were incurred in respect of Trustee Director training during the year.

## **MEMBERSHIP**

The Fund is relatively mature in relation to the composition of active (contributing) members and pensioners. At 31 December 2012 there were 464 active members (2011: 457) and 271 pensioners (2011: 267). In addition there were 206 surviving spouses on pension (2011: 208) and 106 members with entitlement to deferred benefits (2011: 105).

The age profile of contributing members shows 13% under age 40 years and 52% over age 50 years.

As at the date of this report the Fund is open to new members.

Detailed figures on the membership of the Fund are reported by the Church of Ireland Pensions Board in Annex 1 to this report.

## **BENEFITS**

During the year €6.9m was paid out in pension benefits, compared with €6.7m the previous year. A breakdown of these figures is included in the report of the Church of Ireland Pensions Board in Annex 1 to this report (see page 149).

**Discretionary increases to pensions in payment** – in accordance with the Rules of the scheme, annual discretionary increases to pensions in payment are permitted up to a maximum of 5% as the Trustee on the advice of the Actuary and with the approval of the RCB may determine. Due to the financial state of the Fund, no discretionary increases in pensions in payment have been applied since 2009 and this remains the position for 2013.

**Statutory increases in UK pensions for service post April 1997** – under UK pensions legislation statutory increases must be applied to a pension which relates to service completed in that jurisdiction for the period (i) 6 April 1997 to 5 April 2005 or normal retirement age, if earlier, by the annualised rate of inflation up to a maximum of 5% and (ii) 6 April 2005 to date of retirement, whether that be on or before normal retirement age, by the annualised rate of inflation up to a maximum of 2.5%.

The UK annualised rate of inflation to September 2012 was 2.2%; accordingly, on 1 January 2013 a 2.2% increase was applied in respect of the service periods outlined under both (i) and (ii) in the above paragraph.

There is no similar pensions legislation in the Republic of Ireland.

**Deferred pensions** – deferred pensions are re-valued in accordance with the relevant statutory provisions.

### **PENSIONABLE STIPEND**

In accordance with the provisions of Chapter XIV of the *Constitution of the Church of Ireland*, levels of Pensionable Stipend for Northern Ireland and the Republic of Ireland are fixed annually by the Standing Committee on the recommendation of the Representative Church Body and the Trustee.

It was agreed by the Standing Committee in September 2012 on the recommendation of the RCB and the Trustee that Pensionable Stipend levels with effect from 1 January 2013 should remain unchanged from 2012 at £25,498 per annum in Northern Ireland and €36,219 per annum in the Republic of Ireland.

### **MANAGEMENT AND ADMINISTRATION OF THE FUND**

The Representative Church Body was appointed by the Trustee as the Registered Administrator for the Fund. The duties of a registered administrator include preparing the Trustee Annual Report and Accounts, which should include at least the specific information set out in the regulations to the Pensions Act, and providing annual benefit statements to members. In addition to this, the RCB provides administration relating to investments, benefits and accounting controls.

The Church of Ireland Pensions Board also carries out certain duties relating to the administration of the Fund as delegated to the Board by the Trustee in accordance with the provisions of Chapter XIV of the *Constitution of the Church of Ireland*. A report from the Board is included in Annex 1 to this report (page 146).

Actuarial advice is provided by Mercer Actuarial Services, Dublin. Investment management is undertaken by external investment managers in accordance with a formal fund management agreement. The costs in relation to administration, administrative actuarial advice and investment management are charged to the Fund.

### **STATEMENT OF RISK**

Under law, the Trustee is required to describe the condition of the Fund and the risks associated with the Fund, and disclose these to members. The full risk statement can be found in Annex 2 to this report (page 153).

The Fund operates on a “defined benefit” basis. The risks in such an arrangement are generally classified as financial or operational. In any defined benefit arrangement, the

main risk is that there will be a shortfall in the assets (for whatever reason) and the Sponsor will not be willing or able to pay the necessary contributions to make up the shortfall. If that occurs, members may not receive their anticipated benefit entitlements. Some of the reasons why a shortfall could occur are set out in the full document.

Another risk is that the Sponsor may for some reason decide not to recommend further contributions to the Fund. In this event, the Fund may be wound up, future accrual of benefits may cease and accrued entitlements would be discharged from the available assets (which may or may not be sufficient to discharge member benefit expectations, as outlined above). In accordance with Section 10 of Chapter XIV of the *Constitution of the Church of Ireland* it would require a decision to be taken at the General Synod for the Fund to be wound up.

Various actions have been taken by the Trustee to mitigate the risks. Professional investment managers have been appointed to manage the Fund assets, which are invested in a range of diversified assets. There is regular monitoring of how these investments are performing. An actuarial valuation of the Fund is carried out at least every three years to assess the financial condition of the Fund and determine the rate of contributions required to meet the future liabilities of the Fund. In addition, an annual review of the solvency position of the Fund is carried out by the Scheme Actuary on the assumption that it is wound up at that time. If the Fund is found to be insolvent on this basis, the Trustee and the Sponsor are required to complete a funding proposal for submission to *An Bord Pinsean*, with the objective of returning the Fund to solvency.

The Trustee is satisfied that it is taking all reasonable steps, including the appointment of experienced professional advisers and administrators, to protect the members of the Fund from the effects of these risks. However, it is not possible to guard against every eventuality, and it is necessary to take some investment risk and other risks in order to manage the affordability of the plan benefits and the capacity of the Sponsor and the Church to meet this commitment.

## **FINANCIAL POSITION OF THE FUND**

The Fund increased in value by €18.8m, 17.4%, to €127.1m in the year ended 31 December 2012, having met all benefits and accounted for contributions received. This result was achieved by a combination of improved investment performance, in which assets grew by 15.5% (2011 – a loss of 2%), and a further capital injection by the Sponsor of €5m in the year, bringing to €15m the value of such capital introduced in the three years 2010 to 2012. The balance of outlays from benefit payments and expenses over inflows from contributions reduced the fund by €2.7m.

The development of the Fund is monitored by the Actuary and a full valuation is carried out at intervals of not more than three years. The last completed Triennial Valuation was as at 30 September 2009 and the draft results for the Triennial Valuation as at 30 September 2012 are being considered by the Trustee and the Sponsor.

The results for 2009, and the draft results for 2012, indicate that, as is the situation with most defined benefit pension schemes, the Fund did not satisfy the statutory Minimum Funding Standard under Section 44 of the Pensions Act.

Accordingly the Actuarial Certificate, as at 31 December 2012, states that the Actuary is not satisfied that the Fund would have met the Minimum Funding Standard as set out under Section 44 of the Act, as at that date.

A copy of the Actuarial Funding Certificate as submitted to *An Bord Pinsean* is included as Annex 3 to this report (page 155) and a copy of the Actuarial Certificate as at 31 December 2012 is included as Annex 4 (page 157).

The Triennial Valuation will be completed prior to 30 June 2013. It will take due account of decisions taken at General Synod 2013 in relation to the proposals for changes to the Fund brought forward by the Sponsor. Under the latest regulations, the Funding Proposal required to meet the Minimum Funding Standard must be lodged with *An Bord Pinsean* by the end of June 2013.

## **PROPOSED CHANGES TO THE FUND**

As mentioned earlier the Sponsor will bring proposals to General Synod 2013 to make fundamental changes to the Clergy Pensions Fund. Details of the changes and the rationale behind them are being communicated to all members by the Sponsor. (These are set out on page 34 of the RB General Synod Report 2013). The main proposals are to close the defined benefit scheme to new members and to the accrual of liability in respect of future service for existing active members. The Normal Retirement Age is to be increased in accordance with a table related to age, and freezes are to be imposed of future discretionary increases in Pensionable Stipend and pensions until 2023 or, until the solvency of the Fund is restored, if sooner. A new Defined Contribution scheme is to be established to cater for new members and future service for existing active members.

The Solvency Working Group (SWG) established by the Sponsor has spent a considerable amount of time developing the proposals, taking due account of the financial development of the Fund in recent years and the revised Minimum Funding Standard rules introduced by the pensions regulator in mid 2012. The capacity of the Sponsor and the parishes to be able to meet uncertain future financial demands has been at the root of these considerations, especially given the expected future non-pension calls on already depleted church finances. The difficult solvency position of the Fund is similar to that of the vast majority of defined benefit schemes.

The Sponsor provided the Trustee with its final draft proposals in late 2012. The Trustee met to discuss them along with the Scheme Actuary in January 2013. The Trustee also met with members of the SWG to obtain clarification of the measures. Following this, the Trustee wrote to the Sponsor, outlining a number of areas where the Trustee felt amendments could be made to the proposals. The Sponsor provided a comprehensive response to all of the Trustee's questions.

In essence the Sponsor indicated in its response to the Trustee that it believes the proposed changes are absolutely necessary to provide what security it can to the accrued benefits for members and pensioners, and that the Sponsor has no capacity to provide further funding to the scheme, whether directly from its own resources or from dioceses or parishes. The Sponsor noted that while closing the defined benefit scheme to new members and future service accrual for existing active members will reduce future volatility and uncertainty in relation to funding costs, there is no absolute certainty or security for either the providers of the finance for the existing defined benefit scheme or the members of the scheme. The Sponsor firmly believes that its proposals offer the best course of action in the interests of all existing and future clergy and its own ability to fund clergy pensions and the wider activities of the church.

The Trustee also raised with the Sponsor, and discussed with the Scheme Actuary, the potential for using Sovereign Annuities to improve the solvency position of the Fund. However, following discussion with the Scheme Actuary, the Trustee decided that it would not be appropriate or equitable to pursue this possibility further at this stage, although it will be kept under review in future.

The Scheme Actuary, who acts solely on behalf of the Trustee and Fund, advised the Trustee that he believes the proposals from the Sponsor set out a robust route to restoring the solvency of the Fund, so that the accrued benefits of existing members and pensions in payment can be secured as far as possible. Without such changes, were the Fund deficit to continue to grow, the Sponsor indicated to the Trustee that it may become necessary to wind up the Fund altogether.

The Trustee is limited in its powers in regard to benefit changes, with the ultimate decision resting with General Synod. However, as outlined above, the Trustee has reviewed the proposals in detail in conjunction with the Scheme Actuary. The Trustee accepts that significant changes must be made to the Fund in order to restore its solvency and to protect members' accrued benefits to the extent possible, and that the proposed benefit changes and closure of the defined benefit scheme should meet these objectives. The Trustee has also considered the structure of the proposed Defined Contribution scheme and believes the scheme to be a suitable development for existing and new members, a view supported by the Scheme Actuary. If General Synod approves the establishment of the new scheme then we expect it to be proposed that the Trustee be appointed Trustee of the Defined Contribution scheme as well as continuing as Trustee for the 'closed' defined benefit scheme.

## **GOVERNMENT LEVY ON PENSION FUNDS (REPUBLIC OF IRELAND)**

In 2011 the Government of the Republic of Ireland introduced a levy of 0.6% per annum on the assets of pension funds. For the Fund, the levy is charged specifically on the assets attributable to residents in the Republic of Ireland. It has been confirmed in the 2013 Budget for the Republic of Ireland that, as originally announced, the levy will cover the years 2011 to 2014.

The levy charge in respect of 2011 was absorbed by the Fund, and its impact on funding is being considered as part of the overall consideration of funding issues. The Sponsor has confirmed that this approach was discussed with the Actuary who stated that he did not have a difficulty with the proposal. The same approach has been adopted for the 2012 levy, amounting to €342,000.

In regard to the 2013 and 2014 charges, the Trustee notes that the Sponsor has advised that, as the levy is a tax on the assets of pension funds in the Republic of Ireland, the levies due to be payable in respect of 2013 and 2014 should be borne by members and pensioners of the Clergy Pensions Fund who are resident in the Republic of Ireland. The Trustee will take advice in relation to this and review the position in the context of the overall Funding Proposal developed following completion of the latest Triennial Valuation of the Fund.

## **INVESTMENT APPROACH**

The investment objectives of the Fund are to maximise total returns through diversified portfolios of equity, fixed interest, property and cash holdings, having regard to liability constraints, cash flow needs, and interest rate and currency movements. The Trustee reviews investment objectives to ensure that they are appropriate to the profile of the Fund.

The investment policy for the management of the assets of the Fund is set out in a Statement of Investment Policy Principles (SIPP), and the existing SIPP is set out at Annex 5 (page 158). This SIPP was adopted by the Representative Church Body before the change in trusteeship at 1 January 2011, and it has been formally noted by the Trustee. The SIPP will be subject to review as part of the funding proposal being brought forward by the Sponsor, following the 2013 Synod and the Trustee will, having taken expert investment and actuarial advice, consult with the Sponsor with particular focus on strategic asset allocation.

Investment management of the equity and fixed interest elements of the Clergy Pensions fund was entrusted to Irish Life Investment Managers with effect from 24 January 2008. Property investments are managed by other managers. The asset distribution as at 31 December 2012 is shown on page 129.

## **SOCIALLY RESPONSIBLE INVESTMENT (SRI)**

The RCB Investment Committee annually reviews social, environmental and ethical issues with the investment manager(s) for the selection, retention and realisation of all the investments of the Representative Church Body. In 2012 the RCB 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 September 2012, the Investment Committee reported to the Representative Church 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 to the report of the Representative Church Body (*Church of Ireland General Synod Reports 2012*, page 92).

## INVESTMENT REPORT

### Investment Performance

A report from the Investment Manager, including a review of investment markets in 2012 and expectations for 2013, is included in Annex 6 to this report (page 163). The equities and fixed interest bonds in the Fund are managed by Irish Life Investment Managers on an indexed (passive) basis replicating the performance of a particular index. Certain equities are excluded on socially responsible investing (SRI) grounds.

The composite return for the fund for the 12 months to 31 December 2012 was 15.5% (2011: -2.0%; 2010: +11.4%). The 2012 return compared with a benchmark return of 14.6%.

The asset valuation and distribution of the Fund are set out in the following tables.

<b>Asset Valuation</b>	<b>31 Dec 2012</b>	<b>31 Dec 2011</b>
	€'000	€'000
ILIM Irish Fund	57,887	50,273
ILIM UK Fund	58,456	49,831
Property / Venture Capital	171	3,071
Cash	10,375	5,053
	<b>126,889</b>	<b>108,228</b>

<b>Asset Distribution</b>	<b>Country</b>	<b>31 Dec 2012</b>	<b>31 Dec 2011</b>
		%	%
Equity	Europe	19.7	32.0
	UK	18.2	31.7
	US / Rest of World	18.8	11.4
<b>Equity Total</b>		<b>56.7</b>	<b>75.1</b>
Fixed Interest	Europe	17.5	8.4
	UK	17.5	9.1
<b>Fixed Interest Total</b>		<b>35.0</b>	<b>17.4</b>
<b>Property Total</b>		<b>0.1</b>	<b>2.7</b>
<b>Venture Capital Total</b>		<b>-</b>	<b>0.2</b>
<b>Cash</b>		<b>8.2</b>	<b>4.6</b>
<b>Grand Total</b>		<b>100.0%</b>	<b>100.0%</b>

## **Custody of Investment Assets**

Citibank was the custodian of the unit-linked funds held by Irish Life Investment Managers (ILIM) for the Clergy Pensions Fund for the year ended 31 December 2012. In addition to the records maintained by the custodians, ILIM maintains its own records of securities. Both sets of records are reconciled regularly. The custodian has produced a report on its internal controls in accordance with SAS 70. The securities are held beneficially in the name of Irish Life Assurance plc on behalf of the Trustee of the Fund.

## **INTERNAL DISPUTE RESOLUTION**

Under Irish pensions legislation all pension schemes are required to have an Internal Dispute Resolution (IDR) Procedure. As a result all disputes arising in connection with the administration of a pension scheme may not be brought to the Pensions Ombudsman unless they have, in the first instance, been processed through that scheme's IDR Procedure.

Accordingly, the trustees of every occupational pension scheme are required to establish internal procedures for resolution of disputes and to set out certain steps which must be included in those procedures. The Trustee has put in place such an IDR Procedure, which must be followed before an issue can be brought to the Pensions Ombudsman.

A copy of the IDR Procedure is included as Annex 7 to this report (page 167).

## **MEMBER INFORMATION**

An Explanatory Booklet, designed to give a broad outline of the Fund and the benefits provided, is available to any member on request from the Pensions Administration Manager.

The latest revision in May 2011 incorporates recent changes in pensions legislation and regulations together with 'best practice' and has been forwarded to every member.

Benefit Statements as at 30 June are issued annually to all Fund members.

## **FURTHER INFORMATION**

Queries about the Fund generally, or about individual members' entitlements should be directed to The Pensions Administration Manager, Church of Ireland House, Church Avenue, Rathmines, Dublin 6 (email [pensions@rcbdub.org](mailto:pensions@rcbdub.org), tel +353-(0)1-4125630).

Copies of Chapter XIV of the *Constitution of the Church of Ireland*, which constitutes the Trust Deed and Rules, can be obtained online at [www.ireland.anglican.org/clergypensions](http://www.ireland.anglican.org/clergypensions) or from the Pensions Administration Manager.

## **FINANCIAL STATEMENTS**

The Financial Statements of the Clergy Pensions Fund are set out in the following pages.

**THE CHURCH OF IRELAND CLERGY PENSIONS FUND**

**FINANCIAL STATEMENTS – PAGE 1**

**YEAR ENDED 31 DECEMBER 2012**

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**THE CHURCH OF IRELAND CLERGY PENSIONS FUND**

**TRUSTEE AND ADVISORS AND OTHER INFORMATION**

**PAGE 3**

**Trustee**

The Church of Ireland Clergy Pensions Trustee Limited  
Church of Ireland House  
Church Avenue  
Rathmines  
Dublin 6

**Actuaries**

Mercer Actuarial Services  
Charlotte House  
Charlemont Street  
Dublin 2

**Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1

**Investment Managers**

Irish Life Investment Managers  
Beresford Court  
Dublin 1

**Sponsor**

The Representative Church Body  
Church of Ireland House  
Church Avenue  
Rathmines  
Dublin 6

**Solicitors**

Mr Mark McWha  
Senior Solicitor  
The Representative Church Body

**THE CHURCH OF IRELAND CLERGY PENSIONS FUND**

**STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES**

**PAGE 4**

The financial statements are the responsibility of the Trustee. Irish pensions legislation requires the Trustee to make available for each scheme year the annual report of the scheme, including audited financial statements and the report of the auditor. The financial statements are required to show a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the financial transactions for the scheme year and the asset and liabilities (other than liabilities to pay benefits in the future) at the end of the scheme year and include a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice - Financial Reports of Pension Schemes (revised May 2007) (SORP), subject to any material departures disclosed and explained in the financial statements.

Accordingly, the Trustee must ensure that in the preparation of the scheme financial statements:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made; and
- the SORP is followed, or particulars of any material departures are disclosed and explained.

The Trustee confirms that it has complied with the above requirements in preparing the financial statements.

The Trustee is required by law to have appropriate procedures in place throughout the year under review, to ensure that:

- contributions payable are received by the Trustee in accordance with the timetable set out in section 58A of the Act where applicable to the contributions and otherwise within 30 days of the end of the scheme year; and
- contributions payable are paid in accordance with the rules of the Fund.

During the year such procedures were always applied on a timely basis and contributions have been paid in accordance with the rules.

The Trustee is responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an Annual Report to be prepared for the scheme containing the information specified in regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006. It is also responsible for safeguarding the assets of the pension scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of an appropriate system of internal control.



**Independent Auditors' Report to the Trustee of the Church of Ireland Clergy Pensions Fund**

We have audited the financial statements of the Church of Ireland Clergy Pensions Fund for the year ended 31 December 2012 which comprise the Fund Account, The Statement of Net Assets, the Accounting Policies and the related notes. The financial reporting that has been applied in their preparation is Irish pension law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

**Respective responsibilities of trustee and auditors**

As explained more fully in the Statement of Trustee's Responsibilities set out on page 4, the trustee is responsible for the preparation of the financial statements showing a true and fair view, and for ensuring that contributions are made to the scheme in accordance with the scheme's rules and the recommendation of the actuary. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish pension law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the scheme's trustee as a body in accordance with Section 56 of the Pensions Act 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the scheme's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the scheme during the year ended 31 December 2012 and of the amount and disposition of its assets and liabilities (other than liabilities to pay pensions and other benefits in the future) at that date; and
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland.



**Opinions on other matters prescribed by the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006**

In our opinion:

- the financial statements include the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 which is applicable and material to the scheme;
- the contributions payable to the scheme during the year ended 31 December 2012 have been received by the trustee within thirty days of the end of the scheme year; and
- such contributions have been paid in accordance with the rules of the scheme and the recommendation of the actuary.

*PricewaterhouseCoopers*

**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Dublin**

**14 March 2013**



**THE CHURCH OF IRELAND CLERGY PENSIONS FUND**

**ACCOUNTING POLICIES**

**PAGE 7**

The significant accounting policies adopted by the Trustee are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with The Occupational Pension Schemes (Disclosure of Information) Regulations, (2006), and the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pensions Schemes (Revised May 2007).

(ii) Investments

Invested assets are held in unitised funds, most of the value of which is managed by Irish Life Investment Managers. This fund tracks a range of published equity and bond indices. The value of the units at the year end reflects the relative performance of these indices and the value of the relevant underlying stocks. The balance of funds is shown in Note 7 of these accounts.

(iii) Investment Income

Most of the invested assets are held in unitised funds and income is attributed to the funds as it arises and is not separately reported. Income from any pooled investment vehicle which distributes income is accounted for in the period.

(iv) Financial Risk

The Trustee is responsible for managing financial risk arising in connection with the invested assets of the fund. This responsibility is discharged through the diversification of the investment portfolio across sectors and geographies and focus on established stocks quoted on published exchanges.

(v) Foreign Currencies

Balances and transactions denominated in foreign currencies have been translated into Euro at the rate of exchange ruling at the year end. (2012 €1 = £0.8161; 2011 €1 = £0.8353).

(vi) Benefits

The pension benefits are secured by contributions to a separately administered defined benefits scheme in accordance with the provisions of Chapter XIV of the Constitution of the Church of Ireland as amended from time to time by the General Synod. Benefits are accounted for in the year in which they fall due. Liabilities to pay pensions and other benefits in the future are not accrued.

**THE CHURCH OF IRELAND CLERGY PENSIONS FUND**

**ACCOUNTING POLICIES (CONTINUED)**

**PAGE 8**

(vii) Contributions

Normal contributions, both from the members and from the dioceses/parishes, are accounted for on an accruals basis in the month employee contributions are deducted from the payroll. Augmentation contributions are accounted for in accordance with the agreement under which they are paid, or in the absence of such an agreement, when received.

(viii) Transfers to and from other Schemes

Transfer values represent the capital sums either receivable in respect of members from other pension schemes of previous employers, or payable to the pension schemes of new employers for members who have left the Scheme. They are accounted for on a cash basis or, where the Trustee has agreed to accept the liability in advance of receipt of funds, on an accruals basis from the date of the agreement.

**THE CHURCH OF IRELAND CLERGY PENSIONS FUND****FUND ACCOUNT****YEAR ENDED 31 DECEMBER 2012****FINANCIAL STATEMENTS****PAGE 9****CONSOLIDATED FUND**

	Notes	2012 €'000	2011 €'000
<b>CONTRIBUTIONS AND OTHER RECEIPTS</b>			
Contributions receivable	3	5,207	5,390
Special contribution	4	5,000	5,000
		<u>10,207</u>	<u>10,390</u>
<b>BENEFITS AND OTHER PAYMENTS</b>			
Benefits payable	5	7,434	7,433
Administrative expenses		177	158
Pension Levy		342	320
		<u>7,953</u>	<u>7,911</u>
<b>NET ADDITIONS</b>		<u>2,254</u>	<u>2,479</u>
<b>RETURNS ON INVESTMENTS</b>			
Investment income	6	95	51
Realised and unrealised investment gains/(losses)		16,602	(2,040)
Currency translation adjustment		(8)	47
Investment management expenses		(96)	(71)
<b>NET RETURNS ON INVESTMENTS</b>		<u>16,593</u>	<u>(2,013)</u>
<b>NET INCREASE IN FUND FOR YEAR</b>		18,847	466
<b>BALANCE 1 JANUARY</b>		<u>108,283</u>	<u>107,817</u>
<b>BALANCE 31 DECEMBER</b>		<u><u>127,130</u></u>	<u><u>108,283</u></u>

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

Signed on behalf of the Trustee: *JW Wallace*  
*DG Perrin*

Date: *12 March 2013*

**THE CHURCH OF IRELAND CLERGY PENSIONS FUND**  
**STATEMENT OF NET ASSETS** **YEAR ENDED 31 DECEMBER 2012**  
**FINANCIAL STATEMENTS** **PAGE 10**

**CONSOLIDATED FUND**

	Notes	2012	2011
		€'000	€'000
INVESTMENT ASSETS	7	<u>126,889</u>	<u>108,228</u>
CURRENT ASSETS			
Amounts due from the Representative Church Body		241	68
CURRENT LIABILITIES			
Creditors		<u>-</u>	<u>(13)</u>
NET CURRENT ASSETS		<u>241</u>	<u>55</u>
NET ASSETS		<u><u>127,130</u></u>	<u><u>108,283</u></u>

Signed on behalf of the Trustee: *JW Wallace*  
*DG Perrin*

Date: *12 March 2013*

**THE CHURCH OF IRELAND CLERGY PENSIONS FUND****NOTES TO THE FINANCIAL STATEMENTS****FINANCIAL STATEMENTS****PAGE 11****1. FUND STATUS**

The Clergy Pensions Fund, which is a defined benefit scheme, is established under Chapter XIV of the *Constitution of the Church of Ireland* as amended from time to time by the General Synod. The Fund has been approved by the Revenue Commissioners as a retirement benefits scheme under Part 30, Chapter I of the Taxes Consolidation Act, 1997, and is treated as an “exempt approved scheme” for the purposes of that Act. In addition, the Fund has been approved by the Board of the Inland Revenue of the United Kingdom as a retirement benefits scheme for the purposes of Chapter I, Part XIV, Income and Corporation Taxes Act 1988 and is treated as an “exempt approved scheme” for the purposes of Section 592 of that Act in relation to its provision of pension benefits to those members of the clergy who are living in Northern Ireland.

**2. FORMAT OF THE FINANCIAL STATEMENTS**

The financial statements summarise the transactions and net assets of the scheme. They do not take account of liabilities to pay pensions and other benefits expected to become payable in the future. The actuarial position of the Fund, which does take account of such obligations, is dealt with in the Trustee’s report, the actuarial funding certificate and the actuary’s annual certificate within this report, and these financial statements should be read in conjunction with them.

**3. SUMMARY OF CONTRIBUTIONS RECEIVABLE**

	2012	2011
	€’000	€’000
Members – normal	1,245	1,239
– additional personal	156	181
Dioceses	3,132	3,080
Representative Church Body	674	890
Total	5,207	5,390

The value of Northern Ireland contributions in Sterling is £2.170m (2011: £2.387m) and was translated to Euro at the year end rate of 0.8161 (2011: 0.8353).

The value of Republic of Ireland contributions is €2.549m (2011: €2.532m).

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

PAGE 12

**4. SPECIAL CONTRIBUTION**

The Representative Church Body during 2012 made a capital contribution of €5m to the Clergy Pensions Fund.

**5. BENEFITS PAYABLE**

	2012 €'000	2011 €'000
Pensions to retired bishops and clergy	4,289	4,092
Pensions to surviving spouses and orphans	2,585	2,622
Commutation of pensions	398	541
Death benefits	162	178
Total	<u>7,434</u>	<u>7,433</u>

The cost of Northern Ireland benefits in Sterling is £3.531m (2011: £3.375m) and translated to Euro at the year end rate of 0.8161 (2011: 0.8353).

The cost of Republic of Ireland benefits in Euro is €3.108m (2011: €3.393m). This cost excludes administration charges and the pension levy.

**6. ANALYSIS OF INVESTMENT INCOME**

	2012 €'000	2011 €'000
Miscellaneous trust income	64	36
Interest	31	15
	<u>95</u>	<u>51</u>

Most of the invested assets are held in unitised funds and income is attributed to the funds as it arises and is not separately reported.

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

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**7. (a) INVESTMENT ASSETS**

	<b>Market Value 2012</b>	<b>Market Value 2011</b>
	€'000	€'000
<b>Equities</b>		
UK	23,136	34,266
Europe ex UK	24,987	34,676
Global	23,860	12,283
<b>Bonds</b>		
European	22,233	9,080
UK	22,127	9,800
Cash with Fund Managers	2,374	
	<u>118,717</u>	<u>100,105</u>
<b>Other</b>		
Irish Property Unit Trust	171	177
New Ireland Pension Property Series 1	-	2,715
New Ireland Venture Capital	-	178
Cash on Deposit	8,001	5,053
	<u>8,122</u>	<u>8,123</u>
<b>TOTAL</b>	<u>126,889</u>	<u>108,228</u>

**(b)** The fund tracks various published indices on a passively managed basis.

As at 31 December 2012, the indices and the percentage of the fund, excluding property unit trusts and cash, invested in these was as follows:

<b>Indices</b>	<b>Weighting 2012</b>	<b>Weighting 2011</b>
FTSE All World Series Developed		
Europe Ex UK	27.4%	34.6%
FTSE All World Series UK	23.5%	34.2%
S&P Global 100	11.5%	12.3%
Merrill Lynch EMU Govt > 10 Year	27.1%	9.1%
Non Gilt A Rated Broad Index	9.9%	9.8%
Fixed Interest – Rest of World	0.6%	-

**THE CHURCH OF IRELAND CLERGY PENSIONS FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
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**8. CONTINGENT LIABILITIES**

As stated in the accounting policies on page 7 of the Financial Statements, liabilities to pay pensions and other benefits in the future have not been taken into account. On that basis, in the opinion of the Trustee the scheme had no contingent liabilities at 31 December 2012.

**9. ADMINISTRATIVE AND INVESTMENT MANAGEMENT EXPENSES**

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

**10. RELATED PARTY TRANSACTIONS**

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



**THE CHURCH OF IRELAND CLERGY PENSIONS FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
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**11. SUB DIVISIONS**

<b>REPUBLIC OF IRELAND</b>	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
Contributions	2,549	2,532
Special contribution	2,485	2,485
Net benefits and other payments	(3,625)	(3,871)
Net transfer between sub divisions	(998)	489
	411	1,635
Net additions	411	1,635
Net returns on investments	8,475	(819)
Balance 1 January	54,380	53,564
	63,266	54,380
 <b>NORTHERN IRELAND</b>		
Contributions	2,658	2,858
Special contribution	2,515	2,515
Net benefits and other payments	(4,328)	(4,040)
Net transfer between sub divisions	998	(489)
	1,843	844
Net additions	1,843	844
Net returns on investments	8,118	(1,194)
Balance 1 January	53,903	54,253
	63,864	53,903
 <b>CONSOLIDATED FUND</b>		
Contributions	5,207	5,390
Special contribution	5,000	5,000
Net benefits and other payments	(7,953)	(7,911)
	2,254	2,479
Net additions	2,254	2,479
Net returns on investments	16,593	(2,013)
Balance 1 January	108,283	107,817
	127,130	108,283

**12. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Trustee on 12 March 2013.

ANNEX 1

**REPORT OF THE CHURCH OF IRELAND PENSIONS BOARD  
TO THE CHURCH OF IRELAND CLERGY PENSIONS TRUSTEE LIMITED**

***Members/Meetings of the Board***

There were six meetings of the Board in 2012.

***Elected by the House of Bishops***

Right Rev Paul Colton	(2)
Right Rev John McDowell	(5)

***Elected by the General Synod***

Ven Donald McLean (retired 30 June 2012)	(4)
Ven Philip Patterson (elected November 2012)	(0)
Canon Lady Sheil	(5)
Rev Ted Woods	(5)
Mr William Oliver	(6)
Mrs Cynthia Cherry	(5)

***Elected by The Representative Church Body***

Mrs Judith Peters	(4)
Mr Terence Forsyth	(4)
Mr Geoffrey Perrin	(5)
Rev Chris Matchett (elected January 2012)	(4)
Mr Owen Driver (elected January 2012)	(5)

**Chairperson** – Canon Lady Sheil

**Vice-Chairperson** – Mr Terence Forsyth

**Honorary Secretary** – Rt Rev John McDowell

**Pensions Administration Manager** – Mr Peter Connor

***Grants Committee***

Canon Lady Sheil  
Ven Donald McLean (retired 30 June 2012)  
Mrs Judith Peters  
Rev Ted Woods (elected September 2012)

**Office:** Church of Ireland House  
Church Avenue  
Rathmines  
Dublin 6

Tel no (+3531) 4978422  
Fax no (+3531) 4978821  
Email [pensions@rcbdub.org](mailto:pensions@rcbdub.org)

## **1. INTRODUCTION**

In accordance with section 12(3) of Chapter XIV of the *Constitution of the Church of Ireland* the Trustee has delegated to the Church of Ireland Pensions Board (“the Board”) certain of the duties as set out in section 12(1) of the said Chapter including those relating to membership, contributions and benefits. This report summarises statistical data in relation to those matters.

The Report of the Church of Ireland Pensions Board on other funds administered by it, as delegated by the Representative Church Body (RCB), is found in Appendix G to the Report of the RCB (*Church of Ireland General Synod Reports 2013*, page 171).

## **2. MEMBERSHIP OF THE BOARD**

The Board is elected triennially in accordance with Section 15 of Chapter XIV.

The Representative Church Body Executive Committee, at its meeting on 24 January 2012, elected Rev Chris Matchett and Mr Owen Driver as members of the Board. The Standing Committee on 20 November elected Ven Philip Patterson as a member of the Board.

The Board expressed its thanks and appreciation to Ven Donald McLean, who retired in June, for his valuable contribution as Honorary Secretary to the Board and as a member of the Grants Committee.

On 21 April 2012 the death occurred of Canon JLB (Barry) Deane who had been a member of the Board for over 25 years, for the last 15 of which he was Chairman. Canon Deane’s contribution to the development and regulation of the Clergy Pensions Scheme for retired clergy and their surviving spouses was immense and, following retirement in 2005, he continued to play an important part in the work of the Board, acting as an honorary consultant until his death.

## **3. MEMBERSHIP OF THE FUND**

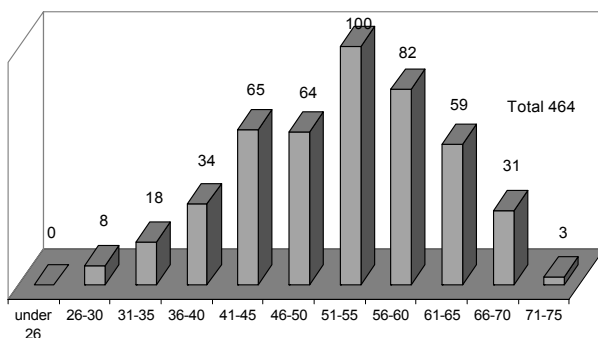
The table on the following page shows the movement during the year across the various membership categories. The accompanying graph shows the age profile of the active members.

## The Representative Church Body – Report 2013

	Active members	Deferred members	Pensioners	Spouses on pension
At 1 January 2012	457	105	267	208
New entrants	25			
Leavers with deferred benefits	(5)	5		
Leavers taking benefits elsewhere	(0)	(0)		
Deaths before retirement	(1)	(0)		
Retirements on pension	(12)	(4)	16	
Deaths on pension			(12)	(13)
New spouses pensions				11
At 31 December 2012	464	106	271	206 <sup>1</sup>

In addition there were 11 child dependency allowances in payment at 31 December 2012 (8 at 31 December 2011).

### *Age distribution of active members*



Age	under 26	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66-70	71-75	Total
Clergy	0	8	18	34	65	64	100	82	59	31	3	464

There are seven clergy in the full-time stipendiary ministry who are not members of the Fund having sought and been granted exemption on entering service and there is one who elected to leave the Fund and make independent pension arrangements.

<sup>1</sup> The total of 206 includes 13 widows of members who either retired or died before 1976 and 12 widows of voluntary members.

#### 4. PENSIONS IN PAYMENT

The annualised pensions etc in payment at 1 January 2013 are:

	€		£
Clergy	1,709,065	and	2,146,581
Surviving spouses and orphans	1,247,906	and	1,048,527
	2,956,971	and	3,195,108

The total annualised pensions in payment translated to euro at the year end exchange rate of 0.8161 are €6,872,065.

#### 5. CONTRIBUTIONS

**Contribution Rate** – the Members and Dioceses/Parishes annual total contribution rate (which is made up of a contribution to meet the deficit in respect of past service and to meet future service funding) is 30% of the Pensionable Stipends. This figure is made up of:

Rate	Source	€	£
9%	Members	3,260	2,295
21%	Dioceses/Parishes	7,606	5,355
30%	Total	10,866	7,650

**Contribution from central funds for 2012** – a third transfer by the Representative Church Body of €5m took place in 2012. In addition a contribution from central funds amounting to €674,000 was made during the year in accordance with Section 38 of Chapter XIV of the *Constitution*.

#### 6. LUMP SUM BENEFITS

Under the provisions of the Fund a cash lump sum is payable in a number of eventualities. The following is a summary:

On death in service or within 5 years following retirement;

On retirement before reaching Normal Retirement Age<sup>1</sup> (NRA), individual members may elect to commute part of their pension;

On reaching NRA individual members, who are serving in the Republic of Ireland at that time, may elect to commute part of their pension whether or not they actually retire;

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<sup>1</sup> Those members who were in the Fund on or before 31 December 2008 have a normal retirement age of 65. Normal retirement age for members, including deferred members who re-entered the Fund, on or after 1 January 2009, is 67.

On retirement after reaching NRA, individual members may elect to commute part of their pension if, on reaching NRA, they had decided to defer a decision until their actual retirement;

On deferred pension entitlement becoming payable.

During 2012 lump sums totalling €129,417 and £249,538 became payable under the above headings in respect of 12 members as follows:

Died in service (1); died within 5 years following retirement (2); paid before NRA (0); paid at NRA (1); paid on retirement (6); deferred pension (2).

## **7. EXTERNAL CONTACTS FOR INFORMATION AND SUPPORT**

The Board has compiled a guide towards external sources of information and help to assist chaplains who support retired clergy and surviving spouses. A copy of the guide is available on request from the Pensions Administration Manager (Email [pensions@rcbdub.org](mailto:pensions@rcbdub.org)).

## **8. ADDITIONAL PERSONAL CONTRIBUTIONS (APCs)**

Members who will not have completed 40 years of service on reaching 65 or 67 years of age, as the case may, will not qualify for a full pension. However, subject to limitations contained in civil legislation, such members may purchase additional service by making APCs either by monthly deduction, or by the payment of a lump sum, or by a combination of the two. These contributions qualify for income tax relief.

At present 100 members have made, or are making, contributions to the APC Scheme.

Copies of the Regulations and explanatory memorandum in relation to APCs may be obtained on request from the Pensions Administration Manager.

## **9. ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)**

Members of the Church of Ireland Clergy Pensions Fund are permitted to make Additional Voluntary Contributions (AVC) which are invested with the Standard Life Assurance Company to provide additional benefits within the overall limits allowed by the Revenue authorities.

Copies of the Regulations and explanatory memorandum in relation to AVCs may be obtained on request from the Pensions Administration Manager.

**(i) Membership of the AVC Fund as at 31 December 2012**

	Membership 31/12/11	New Contributors	Death in Service	Fund Transfers	Retired	Membership 31/12/12
RI	26	2	0	0	2	26
NI	6	0	0	0	1	5
Total	<u>32</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>31</u>
Previous Year	35	0	0	0	3	32

Standard Life, provider of the AVC facility, has closed the “Cash Pension Fund” for new contributors. Contributions may be invested with Standard Life in the “Managed Pension Fund”, the “With Profits Pension Fund”, the “Euro Global Liquidity Fund” or the “Pension Fixed Interest Fund”, as appropriate, of the Tower Pension Series for those contributors who reside in the Republic of Ireland or the Castle Pension Series for those contributors who reside in Northern Ireland.

**(ii) AVC Fund Statement of Contributions**

	2012 €'000	2011 €'000
Contributions received	89	100
Less paid on retirement or death	(47)	(47)
Less commuted to pension	-	-
	<u>42</u>	<u>53</u>
Balance 1 January	726	670
Currency Translation Adjustment	2	3
Balance 31 December	<u>770</u>	<u>726</u>

**NOTES**

1. A resolution adopted by the General Synod on 12 May 2012 transferred the role of trustee from the Representative Body to The Church of Ireland Clergy Pensions Trustee Limited.
2. Under the Scheme members are permitted to make voluntary contributions which are invested with the Standard Life Assurance Company to provide additional benefits within the overall limits allowed by the Revenue authorities. The balance at the year end represents the net accumulation of members’

contributions which have been transferred to the Standard Life Assurance Company by the Trustee. The value of the investments underlying these contributions is not reflected in the statement.

3. Sterling balances and transactions have been translated to Euro at the rate of exchange ruling at 31 December 2012 €1 = £0.8161 (2011 €1 = £0.8353).

#### **ACCOUNTANTS' REPORT**

The Representative Church Body is responsible for preparing the Fund Statement for the year ended 31 December 2012. We have examined the above and have compared it with the books and records of the Fund. We have not performed an Audit and accordingly do not express an audit opinion on the above statement. In our opinion the above statement is in accordance with the books and records of the Fund.

PricewaterhouseCoopers  
Chartered Accountants  
Dublin

March 2013



## ANNEX 2

### STATEMENT OF RISK IN RELATION TO THE CHURCH OF IRELAND CLERGY PENSIONS FUND (THE “FUND”)

Under law, the Trustee is required to describe the condition of the Fund and the risks associated with the Fund, and disclose these to members.

The Fund operates on a “defined benefit” basis. The risks in such an arrangement are generally classified as financial or operational. In any defined benefit arrangement, the main risk is that there will be a shortfall in the assets (for whatever reason) and the employer/sponsor will not be willing or able to pay the necessary contributions to make up the shortfall. If that occurs, members may not receive their anticipated benefit entitlements. Some of the reasons why a shortfall could occur are as follows (this list may not be exhaustive):

- The assets of the pension fund may grow more slowly than expected, or even fall in value, depending on the performance of underlying markets and the securities chosen.
- Similarly, the liabilities may grow faster than expected due to higher salary or pension increases, or due to unfavourable movements in interest rates, or due to mortality and other elements of the fund’s experience varying from the assumptions made.
- The administration of the fund may fail to meet acceptable standards. The fund could fall out of statutory compliance, the fund could fall victim to fraud or negligence, or the benefits communicated to members could differ from the liabilities valued by the Actuary.

In these circumstances, there may be insufficient assets available to pay benefits, leading to a requirement to change the benefit structure or to seek higher contributions. The employer/sponsor may decide not to pay these increased contributions.

Another risk is that the employer/sponsor may for some reason decide to cease its liability to contribute to the pension fund. In this event, the fund may be wound up, future accrual of benefits may cease and accrued entitlements would be discharged from the available assets (which may or may not be sufficient to discharge member benefit expectations, as outlined above). In accordance with Section 10 of Chapter XIV of the *Constitution of the Church of Ireland* it would require a decision to be taken at the General Synod for the Fund to be wound up. If assets are insufficient to meet benefits due, the law specifies that pensioners have first call on the assets of the pension fund before benefits can be paid to those who have yet to reach normal retirement age.

Various actions have been taken by the Trustee to mitigate the risks. Professional investment managers have been appointed to manage the Clergy Pension Fund assets, which are invested in a range of diversified assets. There is regular monitoring of how these investments are performing. An actuarial valuation of the Fund is carried out at

least every three years to assess the financial condition of the Fund and determine the rate of contributions required to meet the future liabilities of the Fund. In addition, an annual review of the solvency position of the Fund is carried out on the assumption that it is wound up at that time. If the Fund is found to be insolvent on this basis, the Trustee and the employer/sponsor are required to complete a funding proposal for submission to the Irish Pensions Board, with the objective of returning the Fund to solvency.

The Trustee is satisfied that it is taking all reasonable steps, including the appointment of experienced professional advisers and administrators, to protect the members of the Fund from the effects of these risks. However, it is not possible to guard against every eventuality, and it is necessary to take some investment risk and other risks in order to manage the affordability of the Plan benefits and the capacity of the employer/sponsor to meet this commitment.

ANNEX 3

ACTUARIAL FUNDING CERTIFICATE



An Bord Pinsean -  
The Pensions Board

SCHEDULE BC

Article 4

ACTUARIAL FUNDING CERTIFICATE

*THIS CERTIFICATE HAS BEEN PREPARED UNDER THE PROVISIONS OF SECTION 42 OF THE PENSIONS ACT 1990 ("the ACT") FOR SUBMISSION TO THE PENSIONS BOARD BY THE TRUSTEES OF THE SCHEME*

SCHEME NAME: The Church of Ireland Clergy Pension Fund

SCHEME COMMENCEMENT DATE: 1<sup>st</sup> January 1976

PENSIONS BOARD REFERENCE NO.: PB 1667

EFFECTIVE DATE OF

*THIS CERTIFICATE:* 30<sup>th</sup> September 2009

*PREVIOUS CERTIFICATE:* 30<sup>th</sup> September 2006

On the basis of information supplied to me and having regard to such financial and other assumptions as I consider to be appropriate:-

- (1) I am of the opinion that at the effective date of this certificate the resources of the scheme, which are calculated for the purposes of section 44 of the Act to be €90,876,000 ~~\*would/\*would not~~ have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44 of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €134,152,000
- (2) I am of the opinion that at the effective date of this certificate the resources of the scheme, calculated for the purposes of section 44 of the Act, would have been sufficient, after allowance for the estimated expenses of administering the winding up of the scheme, to provide for the discharge of the liabilities of the scheme determined in accordance with section 44 of the Act as follows:
  - (a) **100%** of the benefits as set out in section 44(a)(i) of the Act
  - (b) **100%** of the benefits as set out in section 44(a)(ii) of the Act
  - (c) **2.9%** of the benefits as set out in sections 44(a)(iii) and 44(a)(iv) of the Act
  - (d) **0%** of the benefits, other than those referred to in subparagraphs (a) to (c) of this paragraph, to which paragraph 5 of the Third Schedule of the Act relates.
- (3) *\*I hereby state the specified percentage for the above scheme for the purpose of section 44 of the Act to be 0%.*

*~~\*I hereby state that the specified percentage for the above scheme for the purposes of section 44 of the Act is not applicable as there are no benefits which are described in paragraph 5 of the Third Schedule.~~*

I therefore certify that as at the effective date of this certificate the scheme ~~\*satisfies/\*does not satisfy~~ the funding standard provided for in section 44 of the Act. I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature: James R. Kehoe

Date: December 17, 2009

Name: James R Kehoe

Qualification: F.S.A.I

Name of Actuary's Employer/Firm: Mercer

Scheme Actuary Certificate No.: P038

*\* Please delete whichever is not applicable.*

**EXPLANATORY NOTE – PROVIDED FOR INFORMATION ONLY AND NOT FORMING PART OF THE CERTIFICATE**

*This note is intended to provide clarification of the benefits that the actuary has valued in establishing the liabilities for the purposes of the certificate and assumes that the effective date of the certificate is after 22 September 2005. Section 44 of the Pensions Act, 1990, as amended, and the Third Schedule set out in detail the benefits valued.*

If the scheme satisfies the funding standard, the actuary is of the opinion that the scheme would have had sufficient assets to meet specified benefits and expenses if it had been wound up. The opinion is based on the position at the effective date of the certificate.

The benefits can be summarised as follows:

- (1) *In respect of current pensioners -*  
all future benefit entitlements under rules of the scheme
- (2) *In respect of members not currently receiving pensions -*
  - (a) all benefits secured by additional voluntary contributions or granted under the scheme by way of transfer of rights from another scheme, and
  - (b) the scheme benefits that are required by the Act to be preserved – this relates to all benefits accrued up to the effective date of the certificate and includes revaluation of benefits accrued from 1991, and
  - (c) the certified percentage of the additional benefits described in paragraph 5 of the Third Schedule. This normally relates to revaluation of benefits accrued before 1 January 1991.

**Note to the Trustees**

Under the Pensions Act, 1990, as amended, the trustees of a defined benefit scheme must arrange to have an actuarial valuation of the scheme carried out periodically and must obtain an Actuarial Funding Certificate.

Certificates must have an effective date of not more than 3 years after the scheme's inception or the date of the previous certificate or, where the previous certificate has an effective date before 23 September 2005, or where the scheme commenced prior to 23 September 2005 and it is the first certificate for the scheme, it must be prepared not more than 3½ years after the scheme's inception or the date of the previous certificate.

Certificates, completed by an actuary who holds a Scheme Actuary Certificate issued by the Society of Actuaries in Ireland, must be submitted to the Board within 9 months of the effective date, or, where the certificate is required as a result of a negative actuarial statement in the trustee annual report for the scheme, within 12 months of the last day of the period to which the trustee annual report relates. Certificates should be sent to:

The Pensions Board  
Verschoyle House  
28-30 Lower Mount Street  
Dublin 2  
Tel: (01) 6131900  
www.pensionsboard.ie

ANNEX 4

ACTUARIAL CERTIFICATE



**Church of Ireland Clergy Pensions Fund**

**Pensions Board reference number: PB1667**

**Year ended 31 December 2012**

**Actuarial Statement**

The most recent Actuarial Funding Certificate for the Church of Ireland Clergy Pensions Fund was submitted to the Irish Pensions Board with an effective date of 30 September 2009. This certificate showed that the Fund did not satisfy the statutory Minimum Funding Standard under Section 44 of the Pensions Act 1990 at that date.

The next actuarial valuation and Actuarial Funding Certificate for the Fund are due with an effective date of 30 September 2012. Preliminary valuation results show that the Fund did not satisfy the statutory Minimum Funding Standard under Section 44 of the Pensions Act 1990 at the valuation date. The assets of the Fund were sufficient to cover 73% of the liabilities under the Minimum Funding Standard. These liabilities include benefits for the current active members based upon completed service and Pensionable Stipend at the valuation date, pensions in the course of payment to members and their spouses, and deferred pensions in respect of members who have left service.

Accordingly, I am not satisfied that as at 31 December 2012 the Church of Ireland Clergy Pensions Fund would have met the statutory Minimum Funding Standard under Section 44 of the Pensions Act.

A handwritten signature in black ink that reads 'Paul McMahon'.

**Paul McMahon**  
**Fellow of the Society of Actuaries in Ireland**

25 February 2013

## ANNEX 5

### CHURCH OF IRELAND CLERGY PENSIONS FUND

#### STATEMENT OF INVESTMENT POLICY PRINCIPLES (2010)

##### 1. Introduction

The purpose of this Statement of Investment Policy Principles (the “Statement”) is to document the policies and guidelines that govern the management of the assets of the Church of Ireland Clergy Pensions Fund (the Fund). It has been reviewed and adopted by the Trustee of the Fund and the Investment Committee of the RCB.

This Statement outlines the responsibilities of the various parties involved with the Fund, their objectives, policies and risk management processes in order that:

- a. There is a clear understanding on the part of the Trustee, the Investment Committee and investment managers (the Managers), as to the objectives and policies.
- b. There are clear principles governing the guidelines and restrictions to be presented to the Managers regarding their investment of the Fund’s assets.
- c. The Investment Committee and the Trustee have a meaningful basis for the evaluation of the investment performance of the Managers, investment performance of the Fund as a whole and the success of overall investment strategy through achievement of defined investment objectives.
- d. The Trustee fulfils the requirements of the Occupational Pension Schemes (Investment) Regulations 2005, which stipulate that such a Statement is put in place.

This Statement will be reviewed by the Trustee and Investment Committee, at least every three years and also following any change in investment policy which impacts on the content of the Statement.

##### 2. Management Structure

###### ▪ The “Sponsor” of the Clergy Pension Fund

For the purposes of pension’s legislation the Representative Body is deemed to be the sponsor of the Clergy Pension Fund. The Representative Body, as sponsor, is not responsible for the Fund’s investments but has an interest in the Fund’s solvency and state of funding.

###### ▪ The Trustee

The Trustee of the Clergy Pension Fund has a fiduciary responsibility in relation to the operation of the trust deed and rules of the Clergy Pension Fund, including the monitoring of the Fund’s investment performance, its overall solvency and its investment strategy.

The Trustee has delegated its on-going oversight responsibilities to the Investment Committee of the RCB.

▪ **The Investment Committee**

The Investment Committee of the RCB has been delegated responsibility for overseeing and monitoring the performance of the Fund's investments against pre-agreed performance benchmarks and in turn has delegated the day to day investment management of the Clergy Pension Fund to an external fund manager or managers. The minutes of Investment Committee Meetings as they relate to the oversight and management of the Fund must be furnished to the Trustee on a regular basis.

▪ **The Investment Manager:**

One or more investment managers may be appointed by the Trustee on the recommendation of the Investment Committee to act on behalf of the Trustee. The appointment(s) may be made on a passive or active mandate basis (or a combination of the two). The investment manager(s) shall observe the specific guidelines, restrictions and philosophies within this Statement and as expressed in any written agreement furnished by the Investment Committee and pre-agreed with the Trustee.

**3. Identification of Investment Responsibilities**

The performance benchmark(s) for the Fund are agreed with the Investment Committee by the Trustee and, where appropriate, by the Executive Committee of the RCB.

The specific delegated responsibilities of the Investment Committee include:

- (a) Determining the investment objectives of the Clergy Pension Fund.
- (b) Identifying the Fund's risk tolerance levels, or appetite for risk.
- (c) The establishment of guidelines/operational parameters on investment strategy including asset allocation and deciding suitable benchmarks.
- (d) Recommending the criteria for Social and Responsible Investment, securing the RCB's agreement on same and advising the investment managers.
- (e) Monitoring and evaluating performance and reporting to the Trustee and Executive as required.
- (f) Monitoring of purchases and sales of stocks and trading patterns generally.
- (g) Monitoring and if necessary changing the custodians, consultants and others that provide services to the Fund relating to the investment or custody of assets.
- (h) Regularly reviewing this Statement, and revising as necessary.

Subject to such guidelines and restrictions imposed by the Investment Committee the investment manager(s) with an active mandate will be responsible for making all investment decisions on a discretionary basis and will be evaluated on their ability to achieve the performance objectives set for them.

Subject to such guidelines and restrictions, the investment manager(s) with a passive mandate will be responsible (a) for adopting the percentages and relevant indices agreed from time to time by the Investment Committee on behalf of the Trustee, (b) to make all investment decisions in order to track efficiently the agreed index/indices and (c) will be evaluated on their ability to achieve the performance objectives set for them with minimal tracking error.

Other parties with specific duties with regard to investment include the Fund's custodian(s) and consultants. These duties are documented under separate contractual agreements with those parties.

#### **4. Socially Responsible Investment**

The Investment Committee on behalf of the Trustee will, on an annual basis, review social, environmental and ethical issues with the investment manager(s) for the selection, retention and realisation of investments.

#### **5. Investment Objectives**

The overall investment objective of the Trustee is to maximise the level of investment return at an acceptable level of risk, through adopting a prudent, carefully funded and well-executed investment policy having regard to Socially Responsible Investment. This will in turn assist the Trustee in providing sufficient assets to meet the Fund's long-term commitment to provide pensions and other benefits for fund members and their dependants.

#### **6. Risk Measurement Methods**

In determining the level of risk appropriate to the Fund at any point in time, the Trustee recognises the importance of the nature and duration of the liabilities (i.e. age profile of members), and measures the risk of the chosen investment policy by reference to these liabilities.

In particular, the Investment Committee on behalf of the Trustee considers the following risks:

- (a) The risk of achieving an insufficient level of investment return relative to the rate required to match the growth in liabilities over time.
- (b) The risk of excessive volatility in the investment returns of the Fund relative to the movement in liabilities over shorter-term periods (e.g. one year). Consideration will be given to this volatility in relation to the liabilities measured under the Minimum Funding Standard basis.



Managing the two risks above in isolation may lead to conflicting investment policies. Therefore, in formulating an appropriate investment policy, the Trustee seeks to arrive at an acceptable balance between these risks in order to meet as best it can its investment objectives. Furthermore, the Trustee will manage a range of other investment risks using the risk management processes outlined in the next section in order to create a prudent, diversified and efficient portfolio.

## 7. Risk Management Processes

The Investment Committee on behalf of the Trustee will ensure, either through direct guidance or through ascertaining the suitability of any commingled (unitised) vehicles that are used, that policies and guidelines are in place for the appointed investment manager(s) and other providers such that:

- (a) Investments are predominantly limited to marketable securities traded on recognised/regulated markets.
- (b) Prior oral agreement must be obtained from the Investment Committee to use futures, options and contracts for differences. Any such agreements must be minuted. The use of futures, options and other financial derivatives may only be used by the Manager to hedge an existing position or to pre-empt known cash flow. They may not be used to gear the portfolio.
- (c) The portfolio is properly diversified in such a way that:
  - for an active mandate, no one stock (with the exception of sovereign debt and pooled investments) may be more than 5% of the Fund so as to limit excessive reliance on any particular asset, issuer or group of undertakings and so as to limit accumulations of risk in the portfolio as a whole. However, in the case of significant share price appreciation of an existing holding, while the investment manager may not add to a stock once it exceeds 5% of the portfolio by market value, the stock may continue to be held and permitted to increase to a maximum of 7% of the portfolio value within an agreed time frame.
  - for a passive mandate no one stock shall exceed the combined weighting of its exposure to the various indices that are being tracked adjusted for any Socially Responsible Investment modifications.
  - Investments in assets issued by the same issuer or by issuers belonging to the same group do not expose the scheme to excessive risk concentration.
- (d) the Manager (s) must at all times remain conscious of the Fund's risk tolerance level (as agreed between the Investment Committee and Investment Manager from time to time)
- (e) the security, quality and liquidity of the portfolio as a whole is ensured together with an awareness of the currency requirement.

All Managers of the Fund are employed by the Investment Committee on behalf of the Trustee and are subject to termination at any time.

## **8. Current Investment Policy**

The current investment strategy of the Trustee is set out below along with a description of the investment manager arrangements adopted.

### **Strategic Asset Allocation**

- The Trustee has considered the Fund's strategic asset allocation mix and has determined, having considered the views of the actuary, that an overall (i.e. for the combined Irish & UK sub-divisions of the Fund) real asset allocation (equities and property) should be approximately 85% with rebalancing to take place at a frequency determined by the Investment Committee in agreement with the Trustee. Other asset classes, such as fixed interest and cash are also typically held.
- The Trustee is aware of the nature and duration of the expected future retirement benefits but at the same time is conscious that over the longer term equity markets tend to outperform bond markets. Accordingly, the Trustee believes that such a strategy should enable the Fund to achieve its objectives over the longer term, but is aware that it may not always achieve its objectives on a short-term basis. However, this strategy is kept under constant review.
- The performance benchmark(s) are developed by the Investment Committee and agreed with the Trustee.
- The Trustee recognises that even though the Fund's investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained.

### **Manager Structure and Performance Objectives**

- The Trustee has chosen to appoint Irish Life Investment Managers (ILIM) (with effect from 24 January 2008) to manage the Fund on a passive (i.e. index-tracking) basis.
- The manager's performance objective is to perform in line with the relevant benchmarks (as agreed with the Trustee).

## ANNEX 6

### REPORT OF THE INVESTMENT MANAGER YEAR ENDED 31 DECEMBER 2012

#### Investment Overview 2012

While volatile, 2012 proved to be a very strong year for equity markets as the FTSE World index rose 16.7% in local currency terms (15.2% in €) with Japan leading the way among major markets, rising 21.5% (6.4% in €) with Europe up 20.5% (21.3% in €). Pacific Basin equities gained 19.1% (21.2% in €) while the US was up 16.3% (14.5% in €) and the UK gained 12.3% (15.7% in €).

The year began positively as the provision of unlimited liquidity by the ECB through the Long Term Refinancing Operations (LTRO) provided access to funding for banks which previously had been unavailable because of the debt crisis and appeared to be a step towards resolving the crisis. Better economic data in the US at the same time provided further support and enabled positive returns to be generated through the first quarter.

Through the second quarter however, the benefits of the LTRO began to wane as banks in peripheral countries merely used the facility to increase their exposure to bonds of sovereigns already in fiscal difficulty, further increasing the risk of write downs if these countries defaulted. The failure to form a government following the first Greek general election gave rise to fears of an imminent Greek exit from the Euro with potential for significant negative contagion across the Eurozone if this occurred. At the same time economic data began to disappoint in the US and equity markets quickly gave up their gains for the year by early June.

This proved to be the low point during the year for equity markets as a second Greek election resulted in the formation of a government which was committed to remaining in the Euro and risks across Europe began to recede. Hopes for policy action to finally tackle the crisis in Europe grew as a greater willingness to co-operate and consider some form of debt sharing across countries became apparent and led markets to rebound. While progress was made, political developments were at too slow a pace to satisfy investment markets and the ECB was eventually forced to intervene and announced a bond buying programme which facilitated the lower of peripheral bond yields to levels where they could fund themselves in the market place. This was seen as a major move to address the crisis and resulted in a significant reduction in the risks associated with Europe as peripheral bond yields fell even without the programme being activated and enabled European equity markets to become investable again.

In the US, towards the end of July there was an improvement in economic data as the economy was seen to exit the summer lull which had been evident. The improvement in the growth outlook also contributed to the rebound in equities. Despite this improvement, the US Federal Reserve remained impatient with the slow pace of decline in the unemployment rate and announced another quantitative easing programme, QE3, which was open ended in nature with no fixed end date and it was indicated the size, pace

and composition of the programme would be adjusted such that the Fed's economic objectives were achieved which provided further support for equities and the economy.

Through the fourth quarter, concerns over the prospect of a hard economic landing in China began to recede as data began to improve. In Europe, while economic data remained weak, business sentiment surveys became more positive suggesting the economic outlook would improve through 2013. Global final demand also picked up while new order levels relative to inventories also increased, suggesting production levels would increase through 2013. The Bank of Japan added to the global monetary policy stimulus by increasing asset purchases three times in the last four months of the year in response to weakness in the domestic economy. The election in December of the LDP party in Japan on a pro-growth fiscal and monetary policy mandate increased expectations of further monetary easing as they aim to double the Bank of Japan's inflation target to 2%. This led to a weakening of the Yen which is beneficial for exports and the overall economy.

The US lagged other equity markets through the last quarter as the 'fiscal cliff' loomed. The fiscal cliff related to the expiration of a number of tax breaks and implementation of automatic spending cuts on January 1<sup>st</sup> which if fully implemented would have taken 4% off GDP in 2013. The uncertainty as negotiations continued right up to year end caused the US to underperform other markets. A last minute compromise however provided a partial resolution to the 'cliff'. Tax reductions were permanently maintained for approx. 99% of the population while automatic spending cuts were delayed for two months, limiting the negative impact on GDP to 1%. Expectations of the deal on the last trading day of the year contributed to a rebound in US equities at year end.

### **Positive Outlook for Equities**

As an asset class, equities have underperformed over the last thirteen years and have become under owned as investors have moved to other assets as a consequence.

Equities have gone through such periods of underperformance in the past but have always re-emerged to resume their upward trend and maintain their record of consistently outperforming alternative assets over the longer term.

While the conditions and circumstances through the period of the global financial crisis and sovereign debt crisis in Europe were clearly not supportive of equities, fundamentals have improved since that time.

In the US, the banking system has been recapitalised and is functioning again, providing credit to the economy. The housing market, the catalyst for the crisis, is showing signs of a recovery while debt levels have fallen substantially.

In Europe, recent moves by the ECB have finally provided a platform for progress in terms of addressing the sovereign debt crisis. Global central banks are providing unprecedented levels of stimulus to support economic recovery which has also been supportive of equity markets.

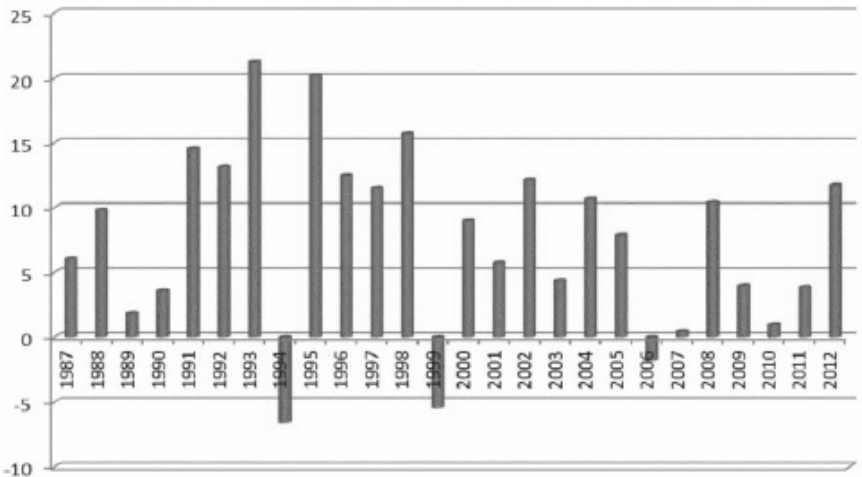
Economic conditions in China, the engine of global growth are improving.

Given these factors and the attractive valuation levels at which equity markets are currently trading, the outlook for equity markets in 2013 remains positive with further gains expected through the year.

### Sovereign Bonds

Bond investors have done very well in the last 10 years, getting a total return of close to 100%. The chart below shows the annual returns of the Merrill Lynch Eurozone >5 year Government bond index since 1987, an index used by the ILIM flagship funds:

Merrill Lynch Eurozone >5 year Government Bond

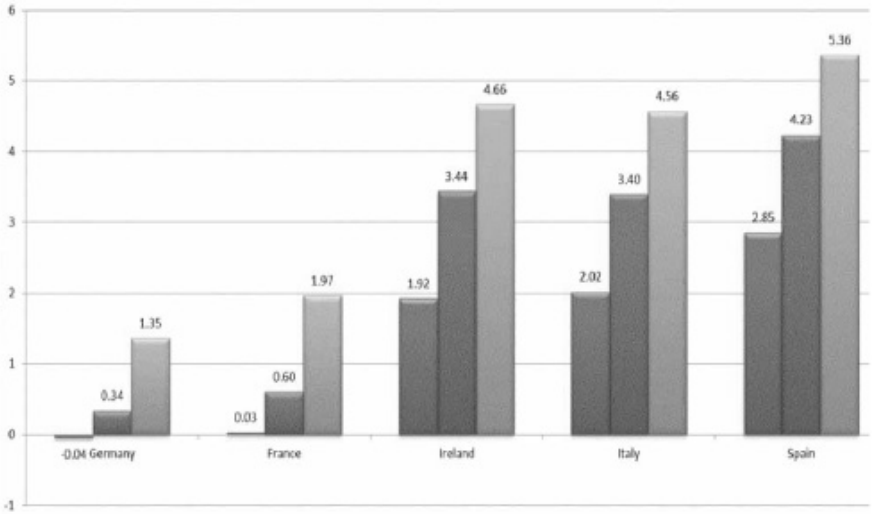


Source: Merrill Lynch

Economists forecast that 2013 will be another year of low economic growth globally. The ECB predicts that the Eurozone will shrink by about 0.3% and that inflation will drop to below 1.5%. In such an environment central banks and politicians will try to provide as much stimulus for the economy as possible, especially by keeping interest rates low.

For European bond investors the available universe is currently split into two main camps. High quality core countries with top credit ratings offer very low returns, or as the example of short German bonds shows, even negative yields. Peripheral Eurozone countries such as Ireland, Italy and Spain on the other hand offer attractive yields with some credit risk attached to it. The chart below shows a sample of 2, 5 and 10 year bond yields for a number of Eurozone countries:

## Eurozone bond yields



Source: Factset

Over the course of 2012 the Eurozone as a whole and especially the ECB have put measures in place to mitigate some of these risks. As the example of one large US investor in Irish bonds shows, higher yields in combination with some progress in Europe offer good value for medium to long term investors. 5-year Irish and Italian yields above 3% and Spanish yields above 4% therefore offer value in an overall low return environment.

## ANNEX 7

### **CLERGY PENSIONS FUND INTERNAL DISPUTE RESOLUTION (IDR) PROCEDURE**

Under Irish pensions legislation<sup>1</sup> all pension schemes are required to have an Internal Dispute Resolution (IDR) Procedure. As a result all disputes arising in connection with the administration of a pension scheme may not be brought to the Pensions Ombudsman unless they have, in the first instance, been processed through that scheme's IDR Procedure.

Accordingly, the trustees of every occupational pension scheme are required to establish internal procedures for resolution of disputes and to set out certain steps which must be included in those procedures. The Trustee of the Clergy Pensions Fund has put in place such an IDR Procedure, which must be followed before an issue can be brought to the Pensions Ombudsman.

The Pensions Ombudsman has jurisdiction to investigate specified complaints against, or disputes with, persons responsible for the management of an occupational pension scheme.

The IDR Procedure, as it relates to members of the Clergy Pensions Fund, is described below in the form of a series of "questions" and "answers".

#### **What is IDR?**

IDR, or Internal Dispute Resolution, is a procedure that the Trustee has drawn up in order to deal with certain types of complaints that may be made by actual or potential beneficiaries of the Clergy Pensions Fund (CPF).

#### **When should this IDR Procedure be used?**

Most queries or complaints in relation to the CPF are easily resolved if raised with the Pensions Administration Manager at Church of Ireland House, Church Avenue, Rathmines, Dublin 6, before invoking the IDR Procedure. Any relevant documents should be brought to the Pensions Administration Manager's attention.

If the query or complaint cannot be resolved satisfactorily by raising the issue with the Pensions Administration Manager then the Honorary Secretary of the Church of Ireland Pensions Board may be written to c/o The Head of Finance at Church of Ireland House. He/she will be able to make an initial assessment of your complaint and advise you of whether it qualifies for IDR.

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<sup>1</sup> Pensions Ombudsman Regulations, 2003 (S.I. 397 of 2003) made pursuant to section 132 of the Pensions Act 1990 as inserted by section 5 of the Pensions (Amendment) Act 2002.

If it does qualify for IDR, the Honorary Secretary can arrange for assistance for you in writing to the Trustee invoking the IDR Procedure and in assembling relevant documentation.

If your complaint does not qualify for IDR, the Honorary Secretary may be able to recommend a resolution to your complaint. *In any event, notice of your complaint will be brought to the attention of the Trustee by the Honorary Secretary.*

### **What types of complaint can I bring to the IDR Procedure?**

Two types of complaint are eligible for IDR. If you are:

- an actual, or potential beneficiary and you allege that you have sustained financial loss due to maladministration by or on behalf of a person responsible for managing the CPF, or
- an actual or potential beneficiary and have a dispute of fact or law in relation to an action taken by a person(s) responsible for managing the CPF.

### **Do I have the right to bring my complaint directly to the Pensions Ombudsman?**

No. The Pensions Ombudsman can only consider complaints that have already been through IDR. You may refer your complaint to the Ombudsman if, having gone through IDR, you are not satisfied with the outcome.

### **How do I make a complaint using the IDR Procedure?**

If your complaint qualifies for IDR, then you must make an application in writing to:

The Company Secretary, The Church of Ireland Clergy Pensions Trustee Limited,  
Church of Ireland House, Rathmines, Dublin 6.

You must include the following information when you write to the Trustee:

- Your full name and date of birth
- Details of your membership of the Fund if relevant (e.g. serving clergy should include date of joining, retired clergy should include date of retirement, clergy who have left the service of the Church of Ireland should include the date of leaving etc)
- Your home address and the address for correspondence if different
- Your PPS Number, or National Insurance Number as appropriate
- Where you are not a member, details of your relationship to the relevant member, or details as to why you consider you should be a member
- A written statement providing all available details of your complaint or dispute



- A description of the informal steps taken in an attempt to resolve the dispute
- A statement as to why you are aggrieved. If you believe you have suffered a financial loss, details of why you believe this to be the case with supporting calculations if possible
- Copies of all available supporting documentation
- Confirmation that you have not previously referred your complaint to the statutory Pensions Board

### **How will my complaint be dealt with by the Trustee under IDR?**

The Trustee may, on receiving your letter, appoint a nominated person, or persons, to make an initial assessment of your complaint. The nominated person(s) may decide to consult with the Church of Ireland Pensions Board and any other parties involved in the dispute, such as the scheme administrators, if relevant. The nominated person(s) will provide these parties with details of your case and consider their recommendations. The nominated person(s) may also discuss your case with their expert advisors and receive their opinion on the merits of your case.

The nominated person(s) may decide to offer you an oral hearing if it is felt that it would add clarity to the case. If such an oral hearing is offered to you, you may accept or reject it.

If, in the opinion of the nominated person(s), the case is reasonably clear, whether in your favour or otherwise, the nominated person(s) shall issue conclusions to you by way of a ‘Notice of Determination’. (See later). However, for more complex cases, the case may be referred by the nominated person(s) to the Executive Committee of the Representative Body for its consideration, before a ‘Notice of Determination’ is issued by the nominated person(s).

If the facts of the case are unusually complex, the case can be put by the nominated person(s) to an independent person who has not previously been involved in the case. The nominated person(s) shall consider, in respect of each complaint, whether using such an independent person is appropriate. For example, the nominated person(s) may be satisfied that it has already received expert and independent advice. However if it is decided that referring the case to an independent person is likely to be useful, the nominated person(s) will consider who an appropriate independent person might be. (For example he or she might be a pensions solicitor from a firm that does not have any conflict of interest with the case.) You shall be informed of the proposed independent person and if you are not satisfied with the nominated person(s) choice, the nominated person(s) may decide not to refer the case to any independent person, but to proceed instead with issuing their conclusions to you by a ‘Notice of Determination’.

If the case is referred to an independent person, such person shall be given supporting documents and asked by the nominated person(s) for a recommendation on your

complaint or dispute. The nominated person(s) will consider any such recommendation before issuing their conclusions to you by way of a ‘Notice of Determination’.

If your complaint or dispute relates to a decision made by the Trustee which involved the exercise of its discretion on a particular point, then, if the nominated person(s) remains satisfied with the original decision, the nominated person(s) shall most likely simply confirm the Trustee’s decision to you and refer you to the part(s) of the rules of the Fund that confers that discretion.

### **What form of response to my complaint will I receive from the Trustee?**

You will receive a response in writing recording the decision in relation to the complaint or dispute *within three months* of receipt of the required information from you. This response is referred to as a **Notice of Determination**. It shall include:

- a statement of what has been decided (which could be a decision to make a compensating payment, or to reject the claim etc.)
- a reference to any legislation, legal precedent, guidelines of the statutory Pensions Board, ruling or practice of the Revenue authorities, or other material relied upon
- a reference to any parts of the rules of the scheme relied upon
- where a discretion has been exercised, a reference to the parts of the rules of the scheme that confer this discretion
- a statement that the Notice of Determination is not binding on you unless you agree in writing to be bound by it
- a statement that the Pensions Ombudsman may have jurisdiction to investigate the matter and that further information can be obtained from:

The Pensions Ombudsman  
36 Upper Mount Street  
Dublin 2  
Telephone: 00353 1 6471650  
Email: [info@pensionsombudsman.ie](mailto:info@pensionsombudsman.ie)

**Approved by The Church of Ireland Clergy Pensions Trustee Limited,  
Trustee of the Clergy Pensions Fund,  
on 22 June 2011**

## APPENDIX G

### THE CHURCH OF IRELAND PENSIONS BOARD

Funds administered by the Board as delegated by The Representative Church Body.

#### THE SUPPLEMENTAL FUND

#### 1. ADMINISTRATION OF THE FUND FOR THE YEAR ENDED 31 DECEMBER 2012

The Supplemental Fund is held by the Representative Body for the provision of assistance to retired clergy of the Church of Ireland and to surviving spouses, orphans and other dependants of clergy of the Church of Ireland and is administered by the Church of Ireland Pensions Board.

The income is derived from the investments representing the capital of the various Funds comprising the Supplemental Fund and grants allocated to it by the General Synod.

Last year the following assistance was provided by means of *ex gratia* payments:

##### (i) Minimum Income of Surviving Spouses and Orphans

Grants to ensure each has a minimum income from all sources in the year commencing 1 January 2012 of not less than:

	Resident in the:	
	United Kingdom	Republic of Ireland
Surviving spouse under 80	£12,224	€17,023
Surviving spouse 80 or over	£12,688	€17,670

On 31 December 2012, pensions were in course of payment to 194 surviving spouses (excluding widows of voluntary members) of clergy of the Church of Ireland. Three surviving spouses required a grant to bring their total income up to the relevant figure in the Table.

During 2012, each surviving spouse who was in receipt of a grant from the Supplemental Fund also received:

- (a) a grant twice yearly towards basic housing costs of £450 or €600 from the Housing Fund;
- (b) a grant of £375 or €510 from monies allocated from the Priorities Fund.

As a result of these grants, the actual minimum income of surviving spouses during 2012 exceeded the figures in the Table by £1,275 or €1,710.

**(ii) Minimum Income for Retired Clergy**

Grants shall be payable from the Supplemental Fund to retired clergy to ensure that each has a minimum income, including the Retirement Pension payable from the Church of Ireland Clergy Pensions Fund or any other approved Scheme, of not less than £9,103 (if resident in the U.K.) or €12,677 (if resident in the Republic of Ireland). Such minimum pension shall be in addition to a State or other pension (excluding a Retirement Pension payable under the Church of Ireland Pensions Fund or any other approved Scheme) or a Sickness or Invalidity Benefit or a Supplemental Grant in lieu thereof.

In calculating grants the first £1,000 (if resident in the UK) or €1,337 (if resident in the Republic of Ireland) of income earned by the clergy and/or their spouse is disregarded.

There were no clergy in receipt of this grant on 31 December 2012.

**(iii) Supplement in lieu of State Pension**

Grants shall be payable to retired clergy who are not eligible for a State, partial State or other pension (excluding a Retirement Pension payable under the Church of Ireland Pensions Fund) or a Sickness or Invalidity Benefit in lieu thereof as follows:

- (a) Clergy who retired from an office in the Republic of Ireland:
- |                                 |               |
|---------------------------------|---------------|
| Eligible clergy aged under 80   | €11,976       |
| Eligible clergy aged 80 or over | €12,496       |
| Married clergy only:            |               |
| Spouse under 66                 | €7,982 extra  |
| Married clergy only:            |               |
| Spouse 66 or over               | €10,728 extra |
| Single/widowed clergy only:     |               |
| Living alone                    | €400 extra    |
- (b) Clergy who retired from an office in Northern Ireland:
- |                  |        |
|------------------|--------|
| Eligible clergy: |        |
| Single/widowed   | £5,312 |
| Eligible clergy: |        |
| Married          | £8,494 |

The number of grants in payment on 31 December 2012 was two.

**(iv) Widow of Bishop**

A grant is paid to the widow of a bishop who retired before 1 January 1979:

Grant	€6,481
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One grant was payable on 31 December 2012.

**(v) Removal Grants**

A grant to a surviving spouse towards the cost of removal, if his/her wife or husband was in the service of the Church of Ireland at the time of death, of the total amount involved up to a sum of £1,440 if he or she died while holding office in Northern Ireland, or €1,925 if he or she died while holding office in the Republic of Ireland.

Should death occur less than two months after date of retirement and before vacation of the glebehouse a similar grant will be paid.

**(vi) Immediate Grants to Surviving Spouses**

On the death of clergy in the service of the Church of Ireland who are survived by a spouse, an immediate grant of £4,124 if they died while holding office in Northern Ireland or €5,820 if they died while holding office in the Republic of Ireland shall be paid.

On the death of clergy in retirement from the service of the Church of Ireland who are survived by a spouse, an immediate grant of £1,298 if they resided in the United Kingdom or €1,733 if they resided in the Republic of Ireland shall be paid.

**(vii) Other Grants**

Certain other grants which, in the opinion of the Board and in the particular circumstances of each case, merited special consideration.

In addition to the grants allocated under the above headings retired clergy, surviving spouses and dependants in need received help from other sources. The Board would like to record its thanks to the Priorities Fund, the Corporation of the Sons of the Clergy, the Friends of the Clergy Corporation and the other charities and funds which provided this help.

**2. GRANTS 2013**

The Representative Body recommends that the General Synod of 2013 approves allocations of €21,477 plus £770 to the Supplemental Fund from 2012 income (see report of the Representative Body, page 21 in *Church of Ireland General Synod Reports 2012*).

The allocations recommended, combined with an unexpended surplus for 2012 and dividend income for 2012, will enable the Board to continue the schemes of *ex gratia* payments to surviving spouses and retired clergy and it has decided that from 1 January 2013 these shall be as follows:

**(i) Minimum Income of Surviving Spouses and Orphans**

	Resident in the:	
	United Kingdom	Republic of Ireland
Surviving spouse under 80	£12,224	€17,023
Surviving spouse 80 or over	£12,688	€17,670

It is estimated that the cost of this scheme will be €0 plus £8,043.

**(ii) Minimum Income for Retired Clergy**

Grants shall be payable from the Supplemental Fund to retired clergy to ensure that each has a minimum income, including the Retirement Pension payable from the Church of Ireland Clergy Pensions Fund or any other approved Scheme, of not less than £9,103 (if resident in the U.K.) or €12,677 (if resident in the Republic of Ireland). Such minimum pension shall be in addition to a State or other pension (excluding a Retirement Pension payable under the Church of Ireland Pensions Fund or any other approved Scheme) or a Sickness or Invalidity Benefit or a Supplemental Grant in lieu thereof.

In calculating grants the first £1,000 (if resident in the UK) or €1,330 (if resident in the Republic of Ireland) of income earned by the clergy and/or their spouse is disregarded.

As currently no clergy are in receipt of a grant under this scheme it is envisaged no cost will be incurred in 2013.

**(iii) Supplement in lieu of State Pension**

- (a) Clergy who retired from an office in the Republic of Ireland:
- |                                 |               |
|---------------------------------|---------------|
| Eligible clergy aged under 80   | €11,976       |
| Eligible clergy aged 80 or over | €12,496       |
| Married clergy only:            |               |
| Spouse under 66                 | €7,982 extra  |
| Married clergy only:            |               |
| Spouse 66 or over               | €10,728 extra |
| Single/widowed clergy only:     |               |
| Living alone                    | €400 extra    |
- (b) Clergy who retired from an office in Northern Ireland:
- |                  |        |
|------------------|--------|
| Eligible clergy: |        |
| Single/widowed   | £5,587 |
| Eligible clergy: |        |
| Married          | £8,770 |

It is estimated that the cost of this scheme will be €12,496 plus £734.

**(iv) Widow of Bishop**

A grant is paid to the widow of a bishop who retired before 1 January 1979:

Grant	€6,481
-------	--------

The cost of this scheme will be €6,481.

**(v) Removal Grants**

Northern Ireland	£1,471
Republic of Ireland	€1,956

**(vi) Immediate Grants to Surviving Spouses**

In service:

Northern Ireland	£4,215
Republic of Ireland	€5,914

In retirement:

Northern Ireland	£1,327
Republic of Ireland	€1,760

**3. RULES**

Copies of the rules are available on application to the Pensions Administration Manager.

**4. FINANCIAL STATEMENTS**

The Financial Statements of the Supplemental Fund are set out in the following pages.

**THE SUPPLEMENTAL FUND****31 December 2012****INCOME AND EXPENDITURE ACCOUNT**

	2012 €'000	2011 €'000
<b>INCOME</b>		
General Synod Allocations	40	47
Investment Income	32	32
Income from Trusts and Donations	2	2
	<u>74</u>	<u>81</u>
<b>EXPENDITURE</b>		
Augmentation – Surviving Spouses and Orphans	21	15
Grants to Surviving Spouses	16	14
Grants to Retired Clergy	20	22
Expenses	5	5
	<u>62</u>	<u>56</u>
Surplus of income	12	25
Revaluation movement	91	(15)
Currency translation adjustment	11	14
	<u>102</u>	<u>(1)</u>
Capital balance 1 January	763	764
Capital balance 31 December	<u><u>865</u></u>	<u><u>763</u></u>



**THE SUPPLEMENTAL FUND**

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**ANALYSIS OF FUND ASSETS AT 31 DECEMBER 2012**

	2012 €'000	2011 €'000
Investments at Valuation		
RB General Unit Trusts	865	763
	<u>865</u>	<u>763</u>
	<u><u>865</u></u>	<u><u>763</u></u>

**Notes**

1. The Supplemental Fund is vested in The Representative Church Body, as Trustee, for the provision of assistance to retired clergy of the Church of Ireland and to spouses, orphans and dependants of clergy of the Church of Ireland.

The Fund is established under Chapter XV of the Constitution of the Church of Ireland and administered by the Church of Ireland Pensions Board.

2. Accounting Policies are the same as those adopted for the Clergy Pensions Fund.

**ACCOUNTANTS' REPORT**

The Representative Church Body is responsible for preparing the Fund Statement and the Statement of Assets for the year ended 31 December 2012. We have examined the above and have compared them with the books and records of the Fund. We have not performed an Audit and accordingly do not express an audit opinion on the above statements. In our opinion the above statements are in accordance with the books and records of the Fund.

PricewaterhouseCoopers  
Chartered Accountants  
Dublin

March 2013

## **OTHER FUNDS ADMINISTERED BY THE BOARD**

### **1. Sundry Diocesan Widows' and Orphans' Funds**

Grants are paid on the recommendation of the patron, who is usually the Bishop. The total of grants paid in 2012 was €50,576 and £3,018.

### **2. Housing Assistance Fund**

The Housing Fund has been created by The Representative Church Body mainly from the income of certain endowments and bequests received by it from generous benefactors and where the terms of trust permit.

The Fund is being administered under a Scheme prepared by the Board and approved by The Representative Church Body. Grants amounting to €51,859 plus £84,819 were allocated in 2012. Many expressions of thanks and appreciation have been received from the recipients.

The Board is most grateful for these donations and hopes that this Fund, which has already been of considerable help to retired clergy and surviving spouses with financial outlay arising from the provision and/or upkeep of housing accommodation, will be given further support by donations or bequests.

Two houses were bequeathed to The Representative Church Body, one of which is let to a member of the clergy and the other let to the surviving spouse of a clergyman. These are administered by the Board.

### **3. Priorities Fund – additional income for the most elderly and needy**

A further grant was allocated by the Standing Committee from the Priorities Fund in 2012 to provide additional income for the most elderly and needy retired clergy and surviving spouses of clergy. This enabled the Board to give an additional grant of €510 or £375 as appropriate, to each retired member of the clergy who had reached 65 years of age and to each surviving spouse irrespective of age who also needed a grant from the Supplemental Fund to ensure a minimum income under the schemes in operation for that purpose. A total of four surviving spouses benefited from the allocation and expressions of appreciation have been received.

The Board has applied to the Priorities Fund Committee for a grant for 2013.

### **4. Mrs E Taylor Endowment**

The Representative Body requested the Board to administer the Endowment “to provide additional benefits over and above the normal pensions for retired clergymen of the Church of Ireland who should be residing in the 26 counties of Southern Ireland”.

The Board has decided that the income from the Endowment should be allocated in the first instance for the benefit of those retired clergy in the Republic of Ireland who required nursing/home care either for themselves or their spouses including health and paramedical expenses.

During 2012, grants totalling €27,641 were paid to 12 retired clergy.

#### **5. Rev Precentor RH Robinson Bequest**

The income of this bequest has in previous years been allocated annually by the Board in accordance with the terms of trust as an additional payment to a retired clergyman. The income is currently circa €10 per annum. In 2011 it was decided, after consultation with the Head of Property and Trusts, to allow the income to accumulate for a period of five years until a more substantial grant may be allocated.

#### **6. Rev GJ Wilson Bequest**

The income of this bequest is available for the benefit of retired clergymen of the dioceses of Dublin, Glendalough and Kildare. The Board allocates the income having sought recommendations from the Archbishop of Dublin and the Bishop of Meath and Kildare.

In 2012, the total of grants paid was €1,800.

#### **7. Discretionary Fund – Retired Clergy/Surviving Spouses**

This Fund is available to provide (i) discretionary grants unrelated to Housing, to surviving spouses of clergy to be administered in a similar fashion to that of the Housing Fund and (ii) greater support for retired clergy resident in Northern Ireland or outside Ireland.

Allocations of £21,500 were made in 2012 which, together with income from bequests allocated to the Fund by the Representative Body, enabled the Board to make grants totalling €5,480 and £2,649 to 10 surviving spouses and grants totalling £17,383 to nine retired clergy.

The Board would welcome donations and bequests in order to provide a permanent income for this Fund.

## APPENDIX H

### SCHEDULE OF THE KEY ELEMENTS OF THE PROPOSED PACKAGE OF CHANGES TO THE CLERGY PENSIONS FUND

- With effect from 1 June 2013 the Fund will be closed for future accrual of service in respect of all members.  
Members' pension in relation to accumulated service as at 31 May 2013 will be retained in the Fund.
- From 1 June:
  - (i) a Clergy Defined Contribution Pension Scheme will be implemented (see Appendix I on page 181 for a detailed description of the Scheme);
  - (ii) no future contributions (including additional personal contributions) will be paid into the Fund relating to individual members;
  - (iii) to assist in restoring the solvency of the Clergy Pensions Fund a levy will be charged to Dioceses at the rate of 13% of Minimum Approved Stipend in respect of all cures within Dioceses and recognised offices.
- The revised Normal Retirement Age (NRA) for contributing members of the Fund as at 31 May 2013 will be in accordance with the following table:

Date of birth	Age on 31 May 2013	Normal Retirement Age
1 June 1949 to 31 May 1954	59 to 63	66
1 June 1954 to 31 May 1959	54 to 58	67
1 June 1959 and after	53 or younger	68

Members who have a date of birth before 1 June 1949 will retain a NRA of 65.

Members who joined/rejoined the CPF on or after 1 January 2009 will have a NRA of not less than 67.

Under statutory pension regulations Deferred Members will retain the NRA applicable at their date of leaving the service of the Church of Ireland.

- Death in service (on or before NRA) lump sum benefit will cease to be paid out of the Clergy Pensions Fund but will be paid as an insured benefit as part of the new Clergy Defined Contribution Pension Scheme. (See Appendix I on page 181.)

**Note:** As a further initiative in support of securing the solvency of the Fund it is proposed, in addition to the changes to the Fund noted above, that until 2023 increases in Pensionable Stipend and in pensions in payment will not be recommended unless the plan to eliminate the deficit is ahead of schedule and the Actuary agrees that such increases are sustainable.

## APPENDIX I

### SPECIFICATION OF PROPOSED CHURCH OF IRELAND CLERGY DEFINED CONTRIBUTION PENSION SCHEME

(Note -throughout this paper the word “he” is used to imply “he or she” and the term “employer” refers to the DC Member’s parish or diocese.)

#### 1. Background

It is proposed that legislation be brought to the 2013 General Synod to effect the following:

- a. the existing defined benefit (DB) plan for clergy be closed, with effect from 31 May 2013 (on the assumption that the appropriate legislation having been passed at Synod), for the following:
  - i. All new entrants; *and*
  - ii. Future service accruals of all existing members.
- b. From that date all existing members of the DB plan who have not reached their NRA, all new entrants, or re-entrants, to the stipendiary ministry of the Church of Ireland will be deemed to be members of the new Clergy Defined Contribution Pension (CDCP) Scheme as described below.

2. **Membership** – all serving stipendiary clergy aged below 65 years will be enrolled in the CDCP Scheme but newly appointed clergy (or those re-entering service) can formally apply, in writing, to opt out. Members requesting to opt out will be asked to indicate in writing if they have sought and received appropriate advice on the matter and that their application is supported by their Bishop.

If a member of the clergy opts out of the CDCP Scheme there will be no obligation on the parish/diocese to contribute to any other pension scheme or plan on his behalf.

3. **Minimum Age**– there will be no minimum age for joiners.
4. **Maximum Age** – the maximum age for joiners is 75.
5. **Normal Retirement Age (NRA)** – to be age 68 or as will be defined in section 1A of Chapter XIV of the Constitution.
6. **Contributions** – will be based on Minimum Approved Stipend (MAS).
7. **Rates of Contribution** –

“Employee”	9% (but he can contribute more if he wants as an AVC)
“Employer”	8% to the employee’s DC “pot”, plus
“Employer”	2% (est.) cost of “Death in Service” benefits
<b>Total</b>	<b>19%</b>

Contributions post NRA – none from “Employer”, but “Employee” may contribute.

All insured benefits cease at NRA as benefits may be drawn from the vested DC ‘pot’ and, where relevant, the member’s entitlement in the DB plan.

8. **Vesting of the Member’s DC Pot** – on leaving service at any point, having been admitted to the CDCP scheme, the member to be entitled to take his *total* DC retirement account (i.e. the then value of both his and his employer’s contribution) to another approved pension plan.
9. **On retirement** – the value of the member’s retirement account (his “pot”) will vest in him and he can decide what to do with that sum within the tax regulations of the relevant jurisdiction. If the member of the new CDCP Scheme has already accrued service in the Clergy DB plan he will in effect retire on a two part pension, being N/60ths for service in the DB plan up to the date of its closure to further accrual (31 May 2013) and a pension which he may buy with the accumulated funds then in his CDCP “pension pot”.
10. **State Contributory Pension** – in addition to the above, the member will be entitled to claim the State Pension at the appropriate age.
11. **Death in Service Benefits for clergy who have not reached age 65 as at 31 May 2013 and members of the Scheme until they reach their NRA after that date**

The minimum entitlement will be:

- a. **A cash lump sum** equal to **4 x MAS; and**
- b. **A surviving spouse’s pension** – the surviving spouse of a member of the CDCP Scheme who dies prior to reaching NRA shall, in addition to the above cash lump sum, receive a spouse’s pension of 25% of MAS, indexed at the lesser of CPI and 2%; and
- c. **Dependent children’s pensions** – an additional pension equal to 1/3<sup>rd</sup> of the surviving spouse’s pension to be paid to each of up to 3 dependent children (*as defined in section 58 of Chapter XIV of the Constitution*).

In the event that there is any residue remaining after providing the cash lump sum from the pension pot of the member, that value will be made available to the beneficiaries of the member.

(Where the preserved benefit as at 31 May 2013 of an existing member of the CPF, as calculated under the terms of the Clergy Pensions Fund in respect of dependants’ pensions, exceeds the entitlement under the CDCP, the balance will be paid from the Clergy Pensions Fund).

**12. Ill-Health/Disability** – a member will be entitled to the value of their CDCP pension ‘pot’ as at the date of retirement for reasons of appropriately certified ill health. This will be in addition to any entitlement they may have preserved under the CPF.

**13. Expenses of the CDCP Scheme**

- a. **Investment Management fees** – to be deducted from the member’s account by the pension provider.
- b. **Taxes and government levies** – to be deducted annually from the member’s account by the pension provider.
- c. **Other Administration Costs** – to be paid from funds collected from parishes/dioceses who will continue to pay contributions to fund clergy pensions via the Representative Church Body.

**14. Provider and Investment Options**

- a. The CDCP Scheme is to operate for all stipendiary clergy of the Church of Ireland who are domiciled in either of the Republic of Ireland and the United Kingdom, and appropriate provider(s) are currently being assessed.
- b. In each case a standard set of investment options will be made available for members (e.g. a “cash” fund, a “growth” fund and an “aggressive” fund).

## APPENDIX J

## CHURCH FABRIC FUND – GRANTS ALLOCATED DURING 2012

Diocese	Church	Amount	
		£	€
Clogher	Clabby	24,300	
Derry	Sion Mills	21,200	
Down	Killaney	10,700	
	Knockbreda	2,200	
Connor	Antrim, St Patrick's	1,100	
	Killead	4,400	
	Lisburn Cathedral	29,800	
	Skerry	700	
Elphin	Knocknarea		1,000
Glendalough	Glenealy		3,900
Meath	Julianstown		1,500
	Kilbixy		30,300
Cashel	Tipperary		6,400
Leighlin	Carlow, St Mary's		22,100
	Maryborough		4,100
Cloyne	Castletownroche		1,700
	Rushbrooke		4,900
Killaloe	Inniscaltra		300
	Roscrea		900
		94,400	77,100



**APPENDIX K**

**ARCHIVE OF THE MONTH 2012**

January: What happened at Disestablishment? – records of the General Convention, 1870.

February: Scenes from North India in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries

March: Douglas Hyde's 'modern Irish' translation of St Patrick's Breastplate – a bilingual presentation

April: The earliest policing records in Ireland - St John's parish watch, Dublin, in the 18<sup>th</sup> century

May: The RCB staff golf outing & the story of Leslie Butler in World War I

June: Pictures from a tour in Palestine 100 years ago

July: Illuminated address for a new Dean of Christ Church cathedral, Dublin, the Very Revd JH Walsh, 1908

August: How Church of Ireland clergy used to be appointed – 18<sup>th</sup> century correspondence of Lord Townshend

September: The first Church of Ireland Directory, 1862, online

October: Introducing the collections architectural drawings of churches

November: Anglican Record Project: parish registers of Delgany online

December: Letters from the Western Front – letters to Dundela parish

**APPENDIX L**

**ACCESSIONS OF ARCHIVES AND MANUSCRIPTS TO THE  
REPRESENTATIVE CHURCH BODY LIBRARY, 2012**

The inclusion of material in this list does not necessarily imply that it is available to researchers.

**1. ARCHIVES**

**(i) Parish Records**

**Annagh (Kilmore)**

Annagh: vestry bk, 1910-80

Drumlane: vestry bk, 1876-1828

**Ardagh (Ardagh)**

Ardagh: regs, vestry bk, accounts, preachers' bks, school records, misc. papers, 1807-1971

Kilcommick: regs, vestry bks, accounts, preachers' bks, graveyards records, misc. papers, 1805-2007

Killashee: vestry bk, 1950-67

Moydow: regs, vestry bks, accounts, preachers' bks, misc. papers, 1794-1987

Shrulle: regs, vestry bk, accounts, preachers' bks, S.S. records, misc. papers, 1825-2007

Tashinny: regs, vestry bk, preachers' bks, tithe bk, misc. papers, 1798-2004

**Belfast – St Peter**

St James: regs, vestry bks, regs of vestrymen, preachers' bks, confirmation reg., banns reg., corresp., parish magazines, 1871-2009

**Carlow (Leighlin)**

Carlow: charity records, 1869-2005

Kellistown: preachers' bk, 1856-79

St Dymphna's chapel: preachers' bk, 1992-2009

Staplestown: marriage reg., accounts, preachers' bks, 1847-1974

**Castlecomer (Ossory)**

Bibboa: reg. of vestrymen, 1951-2000

Mothel: vestry bks, reg. of vestrymen, 1966-2011

**Clontarf (Dublin)**

Clontarf: trustees' minute bk, preachers' bks, accounts, records of parish organizations & societies, misc. papers, 1860-1988

**Cloonclare (Kilmore)**

Finner: marriage regs, 1847-1956

**Conwal (Raphoe)**

Gartan: marriage reg., 1949-53

**Cork- St Fin Barre (Cork)**

St Fin Barre: marriage reg., 2003-07

**Cork – St John**

St John: trustee minute bk, accounts, 1916-96

**Donoughmore (Glendalough)**

Donard: regs, 1873-2011

Donoughmore: marriage regs, 1957-2007

Dunlavin: marriage reg., 1957-2006

**Drogheda (Armagh)**

Collon: preachers' bk, 1964-2011

Drogheda: vestry bk, 1971-2005

Drumcar: arch. drawings, 19<sup>th</sup> cent.

**Drumcondra (Dublin)**

Drumcondra: parish magazines, 2008-12

**Dublin - Christ Church Cathedral Group (Dublin)**

St Mary: school minute & account books, 1861-95

**St Bartholomew (Dublin)**

Leeson Park: baptismal reg., reg. of vestrymen, banns reg., parish magazines, 1889-2008

St Bartholomew: preachers' bks, parish magazines, 1905-2012

**Dublin – St Patrick's cathedral (Dublin)**

St Catherine: school board & Protestant Orphan Society account bk, 1935-80

**Dundalk (Armagh)**

Creggan: misc. papers, 1961

Omeath: misc. papers, 1910-14

**Galway (Tuam)**

Arran: vestry bk, 1884-1913

Ballinacourty: preachers' bk, 1896-1920

Galway: vestry bks, reg. of vestrymen, accounts, preachers' bk, misc. papers, 1715-1984

Killannin: accounts, misc. papers, 1891-1927

Moniva: vestry bk, 1870-1918

Moycullen: misc. papers, 1924-44

Rahoon: misc. papers, 1906-44

**Glenageary (Dublin)**

Glenageary: regs, vestry bks, reg. of vestrymen, accounts, preachers' bks, conformation reg., pew reg., misc. papers, 1880-2011

**Kill o' the Grange (Dublin)**

Kill: vestry bks, accounts, preachers' bks, school records, records of parish organizations, orders of service, annual reports, parish magazine, misc. papers, 1885-2010

**Killala (Killala)**

Crossmolina: accounts, 1896-1957  
Dunfeeny & Lackan: burial reg., 1877-2001

**Killanne (Ferns)**

Killanne: vestry bk, accounts, misc. papers, 1808-1919  
Killegney: vestry bk, accounts, communicants lists, 1885-1955  
Templeshambo: preachers' bk, 1966-87  
Tomhaggard: misc. papers, 1825-63

**Killiney – Holy Trinity (Dublin)**

Holy Trinity: marriage reg., vestry bk, annual reports, orders of service, parish magazines, misc. papers, 1950-2012

**Kinawley (Kilmore)**

Crom: preachers' bks, confirmation reg., 1872-1990  
Dunmany: preachers' bk, 1945-67  
Kinawley: vestry bks, accounts, preachers' bks, banns reg., confirmation reg., 1775-1973

**Kinsale (Cork)**

Kinsale: preachers' bks, visitors' bks, 1899-1999  
Rincurran: preachers' bks, 1898-1962

**Maghergall (Connor)**

Maghergall: vestry bks, parish magazines, 2005-12

**Portlaoise (Leighlin)**

Ballyfin: regs, preachers' bks, banns reg., 1866-2007  
Dysert Enos: marriage reg., 1966-2004  
Maryborough: marriage reg., annual reports, records of parish organizations, misc. papers, 1935-2007

**Raheny (Dublin)**

Coolock: parish magazines, 1994-2008

**Rathfarnham (Dublin)**

Rathfarnham: misc. papers, 1914-73

**Shinrone (Killaloe)**

Dunkerrin: vestry bk, preachers' bk, 1910-2010

Kilcolman: regs, 1839-1973

Kinnity: regs, 1850-1996

Shinrone: regs, vestry bk, preachers' bk, 1741-1989

**Taney (Dublin)**

Taney: regs of vestrymen, 1882-1984

**Tralee (Ardfert)**

Ballymacelligott: vestry bk, 1969-79

Dingle: marriage reg., 1845-1943

Kilgobbin: marriage reg., preachers' bk, 1845-2002

Killiney: marriage reg., preachers' bks, 1848-1968

Kilmakedar: preachers' bks, 1844-1958

Kilmoyley: preachers' bk, 1956-88

Tralee: preachers' bks, confirmation reg., visiting bk, 1928-96

**Tuam (Tuam)**

Ballinrobe, misc. papers

Ballyovie: school account bk, 1935-45

**Tullamore (Meath)**

Ferbane: vestry bk, 1892-1924

Shannonbridge: accounts, 1874-77

**Whitechurch (Dublin)**

Whitechurch: records of parish organizations, misc. papers, 1978-2004

**Zion (Dublin)**

Zion: orders of service, parish magazines, 2008-12

**(ii) Diocesan Records**

Ferns: Board of Mission minute bk, 1901-62

From Canon RJ Harmsworth.

Killaloe & Clonfert: diocesan register, subscription roll, 1953-2000

From Canon Robert Warren.

Limerick, Killaloe & Ardfert: rural dean's returns, subscription rolls, reg. of certificates of appointment, account bks, 1800-2008

From St Mary's cathedral, Limerick & Canon Robert Warren.

Meath: albums of photographs of diocesan events, 20<sup>th</sup> cent.

From Mr Nick Perry.

**(iii) Cathedral Records**

St Patrick's cathedral, Dublin: minutes, accounts, reg. of vestrymen, annual reports, visitors' bks, scrapbooks, misc. papers, 1860-1999  
From St Patrick's cathedral, Dublin.

**2. MANUSCRIPTS**

Bartlett, Canon JR: sermons, 2012  
From Canon JR Bartlett, Dalkey, Co. Dublin.

Brownrigg, Rev Henry: illuminated address from the parishioners of Wicklow, 1847  
From St Patrick's Cathedral, Dublin.

Buckingham House School, Cork: minutes, accounts, corresp., annual reports, printed material, 1895-1991

Stoney, George: corresp, speeches, papers rel. to diocesan, educational and charitable matters in Cork, 1948-2006

Webster, Rev CA: letters to Major Henry Chavasse, 1922  
From Ven REB White, Moviddy, Co. Cork.

County Mayo Protestant Orphan Society: minutes, accounts, reports, papers, printed material, 1885-1983

From Canon NJ O'Raw, Crossmolina, Co. Mayo.

Daly, Rev James, warden of Galway: letters of orders, sermons, misc. papers, 1811-64

Nash, Rev JF: university certificates and letters of orders, 1903-04

Ormsby, Rev Thomas: letters of orders and licences, 1922-23

From Ven GL Hastings, Galway.

Dublin Midnight Mission: minute bks, 1863-1921

From Rev DC Sargent, Clontarf.

Hughes, Arthur, lay reader: sermons, late 20<sup>th</sup>/21<sup>st</sup> cents

From his son.

MacCarthy, Very Rev RB: letters from Archbishop GO Simms with related press cuttings, 1969-96

From Very Rev RB MacCarthy, Dublin.

Meath Loan Fund: agenda bk, 1899-1905

From Ven GCS Linney, Glenageary, Co. Dublin.

Rankin, JF: misc. papers rel. to clerical successions, Drumbo parish and other historical research projects, 20<sup>th</sup> cent.

From Mr JF Rankin, Drumbo, Co. Down.

The Representative Church Body – Report 2013

Reynell, Rev WA: scrapbook rel. to Church of Ireland matters, 19<sup>th</sup> cent.  
From Royal College of Physicians Library, Dublin.

Seaver, Rev George: letters from Daisy Dunn, Kingstown, rel. to historical  
research, 1939  
From Mr Peter Costello, Central Catholic Library, Dublin.

YWCA: minutes, corresp, legal & financial papers, annual reports, printed material,  
1890s-2000  
From YWCA, Dublin.

**APPENDIX M**

**FUNDS RECEIVED  
BY THE  
REPRESENTATIVE CHURCH BODY IN 2012  
FOR  
PAROCHIAL AND DIOCESAN ENDOWMENT ETC**

	€	£
Atkinson, Richard (addition)	20,000.00	
Berney, Dr AG (addition)		1,000.00
Cleeve, Henry J	20,000.00	
Cox, Joseph & Olivia (addition)	100.00	
Davis, Richard	7,284.77	
Elliott, Cecil		600.00
Elliott, Mr & Mrs P & Mrs A		1,000.00
Farrelly, T & J (addition)		500.00
Gabbett, DW & RM	3,336.78	
Garden of Remembrance (addition)	308.60	
Graydon, Anna Maria	3,425.83	
Gunn, GIH		80,000.00
Hamerton Fund (addition)	12.35	
Hardy, Pearl	1,000.00	
Kenny, Forsythe	72,022.00	
Love, Caroline	30.00	
Macklin, Ralph	6,755.34	
Monaghan, Mr & Mrs Robert (addition)		100.00
Parish Funds Tralee (Ardfert) (addition)	1,309.68	
Parish Trust Fund Sligo (Elphin)	2,394.73	
Parochial Funds Belfast St Nicholas (Connor) (addition)		85,000.00
Sundry Trusts/Parish Funds Kildrumferton (Kilmore) (addition)	11,200.00	
Traynor, Lucy	146,039.00	
Tuthill, Barbara	1,118.71	
Webb, Ven WP (addition)	2,430.00	
	<hr/>	
	298,767.79	<hr/>
		168,200.00
		<hr/>