

Diocese of Derby

Annual Report and Financial Statements 2021



**DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
Annual Report & Financial Statements for the year
ended 31 December 2021**

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ADMINISTRATIVE DETAILS

Derby Diocesan Board of Finance Limited (The) is a Charitable Trust Company Limited by Guarantee and not having a share capital. (Company No 229700 England, Registered Charity No 249767). Membership of the Board consists of those members of Derby Diocesan Synod who are not employed by the Board.

President: The Bishop of Derby - The Right Reverend Libby Lane
Registered Office: Church House, Full Street, Derby DE1 3DR
Telephone: 01332 388650
Email: finance@derby.anglican.org
Website: www.derby.anglican.org
For a list of direct dial telephone extensions see the diocesan website.

Bishop's Council & Standing Committee of Diocesan Synod

(Being the financial executive of the Diocesan Synod and the Board of Directors of the Board of Finance)

The trustees (for the purpose of charity law) and directors (for the purpose of company law) during the year and as at the date of signing were as follows:

Chair

The Right Reverend Libby Lane – The Bishop of Derby

Ex-Officio

- The Right Reverend the Bishop of Repton – The Rt Revd Malcolm Macnaughton (from 18 April 2021)
- The Venerable Archdeacon of Chesterfield – The Ven Carol Coslett
- The Acting Archdeacon of Derby – The Revd Canon Peter Walley
- The Dean of Derby – The Very Revd Dr Peter Robinson
- The Chair of the House of Clergy of the Diocesan Synod – The Revd Canon Julian Hollywell
- The Chair of the House of Laity of the Diocesan Synod – Mrs Christine McMullen
- The Executive Chair of the Board of Finance - Canon Mark Titterton
- The Chair of the Diocesan Board of Education – The Ven Carol Coslett (to 21 June 2021),
The Rt Revd Malcolm Macnaughton (from 22 June 2021)

Elected by Derby Diocesan Synod - two clergy members from each Archdeaconry and nine lay members, with at least three from each Archdeaconry.

Clergy

Chesterfield Archdeaconry (2)

- The Revd D Ballard (to 12 October 2021)
- The Revd C Pearson (to 5 June 2021)
- The Revd Canon K Hamblin (from 4 November 2021)
- Vacancy (from 13 October 2021)

Derby Archdeaconry (2)

- The Revd J Page (from 22 November 2021)
- The Revd BJ Stober
- The Revd Dr J Ward (to 12 October 2021)

Laity

Chesterfield Archdeaconry (at least 3)

- Mr A Collie (to 12 October 2021)
- Canon J Cooper
- Mr J Gascoyne (to 12 October 2021)
- Miss H Hawkins (to 12 October 2021)
- Canon C Holmes-Elener (to 12 October 2021)
- Mr P Kelsey (from 13 October 2021)
- Mrs Christine McMullen (from 13 October 2021)

Derby Archdeaconry (at least 3)

- Mrs M Goddard
- The Honourable Mr D Legh (from 1 November 2021)
- Mr B Martin (from 1 November 2021)
- Mr B Parker
- Mr P Vincent
- Mr J Whiten

Principal Officers

- Diocesan Secretary: K Godfrey (from 1 December 2021)
- Diocesan Secretary: R Morris (to 28 February 2021)
- Acting Diocesan Secretary: M Marples (to 30 November 2021)
- Head of Finance: M Marples
- Director of Discipleship, Mission & Ministry: Revd Canon M Barnes
- Head of Property: G Webster
- Diocesan Safeguarding Advisor: H Hogg
- HR Manager: M Francis

Advisers

Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance: N Waldron BA TEP (to 30 September 2021)

Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance: I Blaney M.A. LL.B. LL.M. (from 1 October 2021)

Bankers

National Westminster Bank, 58 St. Peter's Street, Derby, DE1 1XL

Investment Advisors

CCLA Investment Management Ltd; Senator House, 85 Queen Victoria Street, London, EC4V 4ET

Solicitors

Eddowes Waldron Solicitors, 12 St. Peter's Churchyard, Derby, DE1 1TZ

Insurers

Ecclesiastical Insurance Group, Beaufort House, Brunswick Road, Gloucester GL1 1JZ

Land Agents

Savills, 2/3 Sherbrook House, Swan Mews, Lichfield, WS13 6TU

Mineral Surveyors

Coke Turner & Co, The Millyard, Rowsley, Matlock, DE4 2EB

Auditor

BHP LLP, 2 Rutland Park, Sheffield, South Yorkshire, S10 2PD

DIOCESAN VISION 2021-2025

VISION STATEMENT

To see **transformed lives**: through **growing church** and **building community** as an expression of 'The Kingdom of God: Good News for All'

MISSION STATEMENT

To proclaim afresh in this generation the good news of the Kingdom

VALUES

Generous Faith, Courageous Hope, Life-giving Love

MISSIONAL AIMS

Transformed Lives: Growing Church, Building Community

Transformed Lives - A Diocese committed to equipping a church of missionary disciples, centred on Christ Jesus and shaped by Him, transforming the lives of others, living out their baptismal calling in the '5 Marks of Mission'.

Growing Church - A Diocese committed to a mixed ecology of church that is more diverse, enabling people of every age and in every context to hear the good news of Jesus, where we grow and expand worshipping and witnessing communities (including Parishes, Schools, Chaplaincy, Plants and Fresh Expressions).

Building Community - A Diocese committed to being outward facing, rooted in and connected to its communities, working in partnership and networks for the common good, with particular care for poor, outcast, and vulnerable people. A church proclaiming the good news of the Kingdom in word and action making it tangible socially, economically, environmentally and in justice.

INTRODUCTION FROM THE BISHOP OF DERBY

The Rt Revd Libby Lane



2021 was hard: already worn down from all 2020 demanded of us we faced continuing and new challenges. I want to acknowledge our shared weariness and anxiety, but also to give thanks for the examples of generous faith, courageous hope and life-giving love we have seen and shared through this past year. This annual report might seem to be far from the Kingdom of God, being about numbers, data, statistics, process, systems, and organisation. It is about those things, (and all that is itself work of the Kingdom - the Bible reminds us that administration is a spiritual gift) but this annual report also holds within it countless stories of everyday, everywhere, faith at work the length and breadth of our diocese if only we have eyes to see.

Through 2021 the Diocese of Derby, in its struggles as much as its successes, has been a signpost to and symbol of the Kingdom of God: in every parish, every congregation, every chaplaincy, every pioneer context, every school, every department of Church House - individually and together - we have been striving to 'proclaim afresh in this generation the Kingdom of God'.

So, thank you all for your faithful ministry supporting congregations and communities through 2021. As we carefully now emerge from Covid. I am inspired and encouraged by the ways our congregations, schools and worshipping communities, supported by our diocesan Officers and staff, adapt and transition, reimagining life, church, mission and community engagement. With creativity and resilience, we are transforming lives, growing church and building community and it is a privilege to partner with you in being good news to all.

As Jesus said in Luke's Gospel, "I tell you, the kingdom of God has come near".

FOREWORD

Executive Chair, Canon Mark Titterton



In many ways 2021 was a greater challenge for income than in the first year of the pandemic in 2020. Clearly common fund receipts were a real stretch for many parishes, particularly those that did not have strong, regular giving and where fund raising was traditionally a significant element of how parishes contribute to our common life as a diocese. Despite this challenge, parishes overall contributed £3,940,952 to the common fund, with the board being grateful to them, as all this income goes directly towards funding clergy stipends across the diocese. This income stream will potentially not return to pre pandemic levels without intervention, the board has therefore, with funding from National Church employed a living generously advisor who is available to assist parishes in increasing their income to improve sustainability.

Our investments once again performed well ahead of expectations, which coupled with a grant from the National Church and several stipendiary vacancies helped cushion the overall position to that of an operating loss of £629,961.

Whilst this is a pleasing performance against the agreed budget, it is not something in which we should rejoice, as we have not been able to grow the Kingdom of God in our diocese as much as we desire.

Looking forward, the board is undertaking a review of our investments with the intention of releasing an element of historically accrued interest along with a review of the common fund formula.

We welcomed Kate Godfrey as Diocesan Secretary in December who is eager to visit many parishes during the year. I would like to place on record my own personal thanks on behalf of the board to Martyn Marples, who was acting Diocesan Secretary during the vacancy.

The board exists to support the parishes and people of the diocese and I would like to add my thanks for your continued support as we look to fund and resource mission in this place.

TRUSTEES' REPORT

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

The Directors/Trustees are one and the same, and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

- a Directors' Report of a charitable company,
- a Strategic Report under the Companies Act 2006 and
- a Trustees' Annual Report under the Charities Act 2011.

Legal Objectives

Derby Diocesan Board of Finance Limited (The); (the Board), is a private charitable company which was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated in the UK on 16 April 1928 as a charitable company limited by membership guarantees and its governing document is the Memorandum and Articles of Association. The Board is registered in England with the Charity Commission. The registered office and number can be found on page 3.

The objects, for which the Board is established, are set out in Clause 3 of the Board's Memorandum of Association, dated April 1928. The primary object (or purpose) is to act as the financial executive of the Diocesan Synod. In addition, it is to act as the Parsonages Board for the Diocese, to act as the Diocesan Committee of the Diocese for the purposes of any Act of Parliament or Measure passed by the General Synod of the Church of England and to promote and assist the work and purposes of the Church in the Diocese and in particular to organise and provide funds in aid of the work of the Church.

The Board has the following statutory responsibilities:

- the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976
- the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972
- the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Derby (in respect of their responsibility for the provision of the cure of souls).

Objectives for the year 2021 and future plans for 2022

In terms of progression toward agreed objectives, 2021 was a successful and positive year in the DBF, in which the foundations for effective future working were set in place.

Defined objectives included:

- Sharing, shaping and embedding the diocesan vision
- Consultation and progression toward a three-archdeaconry model
- Permanent recruitment to the Diocesan Secretary position
- Replacing the outgoing Diocesan Registrar
- Return of operations to Church House as working restrictions started to ease
- Completing the PCR2 review.

Taking these objectives in reverse order, the PCR2 programme to independently review safeguarding was concluded in 2021, and the independent report presented to the Bishop at the end of year. A diocesan-wide action plan has been developed by the Diocesan Safeguarding Adviser, with an aspiration to make measurable progress by release of the national PCR2 report in May 2022. It is expected that work on PCR2 will continue throughout 2022.

Staff returned to Church House both in-year, prior to the return of winter restrictions, and substantively from early 2022. Flexible and hybrid working patterns which were successfully introduced as part of the response to Covid will be retained, together with a significantly improved digital infrastructure. A new phase of monitoring has now been initiated, as the DBF seeks to understand working expectations and challenges in the post-Covid environment, including potential impact on staff retention and availability.

Recruitment to two leadership roles within the DBF was successfully carried through. Following the retirement of Nadine Waldron, who had been Diocesan Registrar for 17 years, a recruitment process was completed and Ian Blaney, of Lee Bolton Monier-Williams (LBMW) appointed from 1 October 2021.

Following a national recruitment drive, Kate Godfrey was appointed as Diocesan Secretary in December 2021, and brings significant additional operational and strategic capacity to the diocese's work.

Following completion of his fourteen-month appointment as Interim Diocesan Secretary, our grateful thanks go to Head of Finance, Martyn Marples. In 2022 Martyn Marples will continue to strategically support the DBF to ensure improved operational resilience and leadership capacity.

Lastly, and most importantly, 2021 saw the completion of significant structural and foundational work designed to secure our ability to work toward strategic objectives. Throughout the late summer and autumn, work continued as part of the sharing of the diocesan vision.

The Bishop carried out deanery visits across the diocese, supporting churches with practical opportunities to design mission in their localities. Additional resources to support clergy and laity in implementing the vision were provided to the Discipleship, Mission and Ministry Team, and included appointments to the new roles of Ordained Ministry Development Office and Lay Ministry Development Officer.

An important change at the heart of our delivery is the transition from two archdeaconry areas to three, supporting a focus on 'contextual mission,' the championship of rural, urban and post-industrial contexts within the diocese. The proposal to move to three archdeacons was consulted on and reviewed under governance processes, before being agreed by the Bishop for implementation in early 2022. Work on recruitment to two of the new archdeaconry posts commenced in late 2021 (The current Archdeacon of Chesterfield, the Ven Carol Coslett steps into role as Archdeacon for Derbyshire Peak and Dales).

With the recruitment of new archdeacons, the diocesan senior leadership team is restored to close to capacity and the diocese enters a new delivery-focused, phase.

An early priority in 2022 to support this new chapter of our work is completion of recruitment of an internal change and organisational development lead, or 'Change Director.'

Key objectives to be delivered in 2022 therefore include:

- Completion of implementation and recruitment to the new archdeaconries
- Understand and respond to changes to the post-Covid working environment
- Complete design and commence a programme of operational and cultural development, with the appointment to the change management role; and to include external governance review.

Other objectives for 2022 include:

- To show measurable progress against the strategic priorities identified by the new Diocesan Secretary, and which include sustainability, digital infrastructure and housing
- To create a strategy for Living Generously, with the support of the national church, regional advisors and the newly appointed diocesan Living Generously Adviser
- To support churches and parishes in their pursuit of missional improvements, through the application of the Mission Action Toolkit
- To review the finances of the diocese, and in particular the use of reserve funds and investments
- Implementation of a new risk management strategy with DBF Trustees; and
- Submission of strategic funding bids to Church Commissioners, drawing on new internal capacity and linked to pursuit of our strategic objectives, in accordance with the diocesan vision.

2021 Delivery

Discipleship, Mission & Ministry Department (DM&M)

The department for Discipleship, Mission & Ministry continues to be loosely organised into three teams (Mission & Evangelism, Ministry Development and Discipleship & Learning) and supports both core/statutory work as well as more project and campaign-based activity. As the (post)-pandemic environment continued to be increasingly challenging for parishes throughout 2021 the need for central support to assist churches in navigating a complex and new missional landscape, often with fewer resources, increased.

Delivery of key activity during 2021 has been significantly enhanced by the long-awaited re-appointment of core staff. The arrival of Lay Ministries (Jo Henderson-Merrygold) and Ordained Ministries (Dwayne Engh) Development officers have seen significant improvement to the support offered for IME2 (curacy) and Licenced Lay Ministers (Readers). The growth in our Diocesan Certificate in Mission & Ministry and LLM Reader training programmes continued during 2021 and is now nationally recognised as a ground-breaking approach to nurturing and training new lay leaders. The expansion and support of a new and revised Mission Action Toolkit (pioneered by Jason Kennedy) to help parishes create achievable Mission Action Plans has been very positively received and forms a significant part of diocesan mission strategy going into 2022.

Vocation enquiries have been unsurprisingly suppressed during 2021, the reappointment of a permanent Ordained Vocations Officer [DDO] (Ben Griffiths), working with our Lay Vocations Officer (Kat Alldread), has begun to look at strategies to address this. Closer engagement with the Archdeacons and Diocesan Advisory Committee (DAC) officers saw the department offer support to church buildings (strategic buildings review, buildings for mission), church officers (bite-sized learning, networks and forums) and contribute thinking towards ministry and deployment frameworks.

Again, Derby continues to be a national lead in developing Fresh Expressions, the diocesan FX Greenhouses proving to be very popular. We are grateful for the secondment of Mark Broomhead during 2021 to help nurture thinking and practice around new worshipping communities. The department has resourced several applications during 2021 to central church funds (including the Strategic Ministry Fund and Giving Advisor Fund) generating hundreds of thousands of pounds worth of benefit to the diocese. The department is fully committed to helping to navigate the numerous culture shifts necessary to achieve our diocesan vision. Whilst not underestimating the enormous challenges and changes that lie ahead the department remain positive and confident that the Kingdom of God, (is) Good News for All!

The Safeguarding Team

In addition to our casework (130 new cases – up 30% from 2020), our key areas of activity have been:

Past Cases Review 2 (PCR2)

PCR2 has been a key focus this year. It is important not only to identify local learning and inform practice moving forward, but also to feed into the national review which will be published later in 2022. The file reviews were completed between April – October 2021, with 1,164 files reviewed by two independent reviewers. The review involved both safeguarding files and other files which fell within the scope of the review. This has been a significant piece of work and we are now in process of planning our next steps, to share the learning and action the recommendations made.

DBS checks

We now have 129 parishes registered for completing DBS checks on behalf of those who hold roles within the parish. This has resulted in a quicker, more efficient process for the completion of checks. The safeguarding team retains responsibility for DBS checks for all current and retired clergy and those parishes which have not yet registered. Across the diocese, 1,131 DBS applications have been submitted during 2021, with 801 of those being submitted by parishes. This is a considerable increase on the number for 2020, due to churches re-opening as restrictions were eased during the pandemic. The requirements for renewal of DBS certificates have changed from five yearly to three yearly and we have commenced a programme of work to ensure all those with certificates of three years plus are renewed as quickly as possible.

Training

Despite ongoing covid restrictions, we have continued to deliver safeguarding training virtually and have recently recommenced a small number of face-to-face sessions for those who cannot access the technology required for remote learning, with 134 sessions offered and 1,299 attendees. Our training continues to be led by Nick Harding, supported by a number of volunteer training supporters, whose contribution is greatly valued.

Communications:

We have started work on improving our communication across the diocese, particularly with our parish safeguarding officers (PSOs). This has included sending a regular newsletter, improving accessibility on our website and running two PSO events over zoom, with a powerful presentation on predatory marriage. We aim to continue to improve our support for our PSOs during 2022.

Parish Dashboard

We have continued to roll out the Parish Dashboard across the diocese and now have 233 churches registered on the system, with 68% of dashboards actively being used. The system enables churches to evidence and audit their safeguarding compliance and produce an action plan and annual report for their PCC at the press of a button.

Survivors

We developed a survivors strategy for use during our PCR2 and continue to work on a long term strategy for the diocese. We have engaged with the national team and have started work towards complying with the new national guidance which comes into force in April 2022. This will now be a key area of development.

Diocesan Safeguarding Advisory Panel (DSAP) – report from the Independent Chair

Purpose

The DSAP exists to offer independent advice and expertise on sound Safeguarding policy, procedure and practice, and to advise the Bishop and Diocesan leadership on the work of safeguarding in the diocese. The panel consists of safeguarding leads from the diocese and the cathedral together with external partners, including the Probation Service, Police, Children's and Adults Services and Health, all of whom contribute their safeguarding expertise. The DSAP is led by the Independent Chair Helen Jebb.

Governance

During 2021 the DSAP has continued to meet remotely via Teams/Zoom, quarterly, with good attendance from members. There are plans to move to a hybrid meeting arrangement as soon as restrictions allow. Visitors from the NST and Survivor Groups have joined meetings to share their experiences.

During the year new independent members joined DSAP as well as new members from the diocese, providing effective representation. Significant efforts were made to secure appropriate Survivor representation with limited success. All have received induction and a meeting with the Chair to enable them to contribute effectively.

This year a Safeguarding Core Group has also been established to provide a forum for the discussion of strategic safeguarding issues. Attendees include the Bishop, Diocesan Secretary, DSA and Independent Chair. Acting on behalf of DSAP the Chair also meets on a regular basis with the DSA, to support the development of safeguarding practice, particularly focusing upon matters of relevance and interest to DSAP.

The Chair has also continued to build links with Regional DSAP Chairs, the Cathedral, Local Adults and Children's Safeguarding Boards as well as the Faith and Safeguarding group, to develop relationships with others in the field.

Achievements and progress

During 2021 DSAP had an opportunity to contribute to developments in a number of areas critical to safeguarding in the diocese including:

- The development of a safeguarding strategy
- Information sharing agreements
- Partnership agreements
- Survivor strategy

This is in addition to receiving regular updates from the DSA on training delivery, DBS, casework, parish dashboard and engagement with Parish Safeguarding Officers. The Chair also responds to NST consultations on behalf of DSAP.

PCR2

The work of PCR2 began in January 2021 and has been ongoing throughout the year. On behalf of DSAP, the Chair supported the DSA in the preparation work. The Chair established the PCR2 reference group and ensured that governance and effective monitoring was in place, meeting regularly with the PCR2 Reference Group Chair. Regular updates have been brought to DSAP for broader oversight.

More recently DSAP have had an opportunity to bring oversight to the publication and handling of the final report prior to submission to the NST by the Bishop. This important work will prioritise key safeguarding issues for action in 2022.

The future and next steps

In September 2021 consultation began with DSAP members into 'What makes an excellent DSAP?', the aim being to develop a work plan for the panel. This will form a forward plan now for work in 2022/23 helping DSAP members to understand the work of safeguarding in the church better and then asking the right questions to bring scrutiny, provide assurance and share learning.

The Property Team

The Property Team completed some key actions during 2021, despite the continued impact of the pandemic, including;

- Completion on the sale of five properties.
- We secured planning for six town houses on part of a parsonage garden and sold the land.
- Twenty-Seven quinquennial surveys were carried out on our existing housing stock.
- We carried out vacancy inspections and co-ordinated vacancy/improvement works to thirteen parsonages or DDF houses prior to new clergy moving in and taking up their appointments.
- We carried out a further twenty two vacancy inspections and co-ordinated works prior to the houses being let on assured shorthold tenancies.
- Rental income exceeded budget by 35% despite difficult conditions due to the pandemic.
- Preparation for five land sales which are either sold subject to contract or under option and are scheduled to complete during 2022.
- We are negotiating heads of terms for an Option Agreement on eight acres of glebe land.
- Securing an option agreement on 12.9 acres of glebe land for housing development.

Financial Review

Statement of financial activities and financial position

Total income was £10.2million (2020 - £9.9million) and expenditure £9.4million (2020 - £9.0million), giving net income before investment gains of £0.8million (2020 - £0.9million).

After the addition of net gains on investment assets of £7.2million (2020 – net gain of £3.3million), the net increase in funds amounted to £8.0million (2019 – £4.2million).

During the year, total fund balances increased from £95.2million to £103.2million and there was an overall net cash inflow of £1.5million (2010– cash inflow £0.1million).

This gives the total picture, but a further breakdown is needed to fully understand the financial position of the Diocese.

Of the total funds of £103.2m, £72.4m are tied up in endowment funds, with £20.1m in Benefice Houses, £46.7m in Stipends Fund Capital – Glebe funds and £5.6m in other permanent endowment funds. A further £9.7m are represented by restricted funds which can only be used in accordance with the terms of the restriction placed on them. Designated funds total £15.9m and are mainly made up of corporate properties and investments, the latter of which are used to produce income to fund our activities. This leaves our general funds of £5.2m. As reported elsewhere our free reserves at 31 December 2021 amount to £5.2m out of our total funds of £103.2m.

Regarding the operational results, it cost £9.0m this year to carry out our unrestricted fund activities. This was funded by income of £8.4m giving an operational loss of £629,961. Additional support as a result of the pandemic brought in £221,000 from the Sustainability Fund, without which the operational deficit would have been £850,961.

Performance against budget

The annual budget is presented to Diocesan Synod for approval and sets out the framework for our financial decision-making. The 2021 budget set an operational deficit of £1,437,330.

Budget plans for 2021 included:

- A Common Fund increase of 2%, with 2021 being the middle year of a three-year transitional formula arrangement
- A £1.1m reduction in the Common Fund budget reflecting a drop in parish receipts
- Additional funding for approved new posts including extra curates funded by Church Commissioners
- Parochial Fees assumed to be maintained at past levels
- Continued grant funding from Allchurches Trust
- Stipend and salary levels held at 2020/21 levels
- Clergy numbers reducing from 134fte to 131fte
- Gross housing expenditure estimated to be £1.403m (£1.582m in 2020).

The table below sets out performance against the budget plan:

MANAGEMENT ACCOUNTS 2021			
	Budget £	Actual £	Difference £
INCOME			
Common Fund	3,818,629	4,011,002	192,373
Church Commissioners	1,528,523	1,665,411	136,888
Net Return on Investments	2,033,068	1,969,565	(63,503)
Other income including fees and grants	529,000	479,293	(49,707)
TOTAL INCOME	7,909,220	8,125,271	216,051
EXPENDITURE			
Ministerial Staffing	5,452,105	4,999,832	452,273
Ministerial Housing & Other Ministerial costs	1,108,571	1,235,278	(126,707)
Parish Support (excluding funding contributions)	1,827,879	1,614,180	213,699
Contributions and Sector Support (incl. DDBE)	489,064	461,784	27,280
National Church	468,931	468,122	809
TOTAL EXPENDITURE	9,346,550	8,779,196	567,354
SURPLUS / (DEFICIT)	(1,437,330)	(653,925)	783,405

Common Fund, the money given by parishes to the Diocese to fund mission and ministry across the Diocese, is the main source of income and accounted for around 49% of total Diocesan income. In 2021 the total amount paid was £4,011,002, which was a decrease of £150,905 over the previous year (2020 - total Common Fund £4,161,907). Receipts were £192,373 greater than budgeted.

A total of £1.7million came from the National Church Institutions, including £0.221m from the Sustainability Fund to address the impact of COVID-19 on income, indicating the Board's dependence on this valuable source of income.

Returns on investments were broadly in line with 2020.

Allchurches Trust annual distribution amounted to £137,000 and the Board acknowledges with thanks the receipt of this grant. Parochial fees were £43,955 less than budgeted as activity struggled to return to pre-pandemic levels.

Ministerial Housing costs rose from the previous year levels as activity started to recommence and included the rental costs of additional properties for new curates. The financial position was further offset by savings in Parish Support costs, mainly through vacancies during the year.

Unrestricted funds movement

Management Accounts Reconciliation to Statutory Accounts	
	£
Deficit per Management Accounts 2021	(653,925)
<u>Operational Adjustments</u>	
Raymond Ross Fund – grants to parishes	(27,849)
Church Growth – Resourcing Derby City	(25,714)
Gain/(losses) on sale of fixed assets	12,865
Other designated fund movements (net)	(108,873)
<u>Investment Movements</u>	
Derby St Peters Dividend income	2,960
Adjustment to returns on investment income	(60,427)
Gains/(losses) on investment assets	1,311,064
Transfer to Pastoral account for sale of property	(470,000)
Net loss on revaluation of fixed assets	(6,254)
Net movement in Unrestricted Funds	(26,153)

[Per statement of financial activities on page 26 of the financial statements]

Grant-Making (Beneficiary-Selection)

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (see note 12 of the financial statements). Grants are paid to other connected charities and to other charitable projects which support the furtherance of the Board's objects.

Local Mission Fund

The Local Mission Fund received income which is given to dioceses for the specific purpose of enabling distinctive mission opportunities. The fund has a year-end balance of £27,445 (2020 - £22,445) with no grants paid during the year (2020 – £1,000 in grants). The Fund's future purpose has been redirected towards 'Building Community' initiatives.

Review of the statement of financial position

The Trustees consider that the Statement of Financial Position together with details in note 27 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the Statement of Financial Position date totalled £103.2million (2019 - £95.2million) it must be remembered that included in this total are fixed assets, mostly in use for the ministry, whose total value amounted to £31.2million (2020 - £31.5million). Many of the remaining assets shown in the Statement of Financial Position are held in funds which cannot necessarily be used for the general purposes of the Board.

Significant property and associated land transactions

During the year the Board sold five properties, with one additional associated parsonage land sale. Total sales receipted £2,000,180 (2020 - 1 sold, £578,220). In addition, a further four plots of land with a book value of £247,000 were 'held for sale' to be sold during 2022.

Investment policies and strategy

The Board's investment policies are kept under review and based on two key policies:

- Ethical investment - this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders. All investment managers are mandated to follow ethical considerations as determined by the Church of England Ethical Investment Advisory Group.
- Long-term responsibilities – the Board manages its investment assets with the principal aim of generating income to achieve the maximum contribution possible to clergy stipends, whilst maintaining the real value of Diocesan capital but with the possible need to realise investments to meet operational needs. The trustees are aware of their long-term responsibilities particularly in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Financial Investment Strategy

The current strategy is to manage investments for sustainable income and to achieve modest capital growth over the longer term. The Board recognises that performance in this area is vital to the direct relief of the demands on Common Fund. Financial investments are held with CCLA Investment Management Ltd (for the Church of England).

Glebe Investment Strategy

Glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Investments are mainly held in agricultural land and financial investments with CCLA Investment Management Ltd.

Unrestricted and Restricted Fund Investments

Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital. Funds which may be needed for working capital in the short-term are held as deposits with CCLA Investment Management Ltd and the Board's bankers National Westminster Bank.

Investment performance

The value of the Board's financial investment assets increased by £7.4million in 2021 (2020 – increase in valuation of £3.0million).

CCLA Investment Management Ltd - financial investment managers

At the Statement of Financial Position date, the majority of the Board's investment with CCLA was in CBF Church of England Investment Fund income shares together with a holding of CBF Church of England Property Fund income shares and CBF Church of England Global Equity income shares.

The table below sets out holdings in each fund at 31 December 2021:

CCLA Investment Management Ltd Funds	Funds at 31/12/21	Portfolio Split	Income yield in year	Total return in year (net)
	£	%	%	%
CBF Church of England Investment Fund	44,337,224	75.5	+2.6	+17.5
CBF Church of England Global Equity Income Fund	6,164,946	10.4	+2.4	+19.2
CBF Church of England Property Fund	<u>8,188,085</u>	<u>14.0</u>	+4.4	+19.7
	<u>58,690,255</u>	<u>100.0</u>		

Total return performance for each fund in 2021 against its comparator is set out in the table below:

Longer term total return performance 12 months to 31 December 2021	Fund %	Comparator %
CBF Church of England Investment Fund (net)	+17.5	+17.0
CBF Church of England Global Equity Income Fund (net)	+19.2	+22.9
CBF Church of England Property Fund (net)	+19.7	+17.8

Brewin Dolphin

A residual holding from the Canon Raymond Ross legacy was held as cash by Brewin Dolphin. This was redeemed during 2021.

Investment properties – including glebe agricultural land

Holdings in the portfolio are predominantly agricultural in nature, amounting to approximately 1,300 acres. Agricultural property has been valued by the Board and is based on a desktop valuation provided by Savills, our glebe land agents, as at 31 December 2020. Other small miscellaneous holdings were valued internally in 2015.

The value of the investment held in Wormhill Quarry decreased by £0.2m in 2021 through a combination of activity during the year and a revaluation at 31 December 2021.

The current valuation of the portfolio is £7.3million (2020 - £7.8million). There were no sales during the period and no purchases (2020 – one sale generating £46,042).

Equity (value-linked) loans

Equity loans have been used to purchase houses for ministers on a shared equity basis. In the event of a sale of any of the houses purchased with value-linked loans (VLL), the whole, or a proportionate part, of the net sale proceeds would go to the Church Commissioners.

Total value-linked loans advanced at 31 December 2021 amounted to £274,938 for 5 loans (2020 - £274,938, 5 loans).

Reserves Policy

Free reserves

The Board has considerable responsibilities including the remuneration of around 130 stipendiary clergy posts, the upkeep of 175 houses and the employment of approximately 44 full or part-time staff. Most of the Board's income is voluntary and the Board has noted that a substantial proportion of its voluntary income is from Common Fund with the balance made up of grant income from the Church Commissioners and income from investments and other sources.

Having considered financial risk, liquidity requirement and the timing of cash flows throughout the course of the financial year, the policy is to hold a balance of readily realisable assets in the general fund equivalent to three months budgeted unrestricted expenditure. At 31 December 2021 the amount required under this policy totalled £2.35m (2020 - £2.35million). Actual free reserves as at 31 December 2021 totalled £5.2million (2020 - £4.9million). With the continuing impact of COVID-19, it is considered appropriate to hold reserves above the policy level.

The aim of Bishop's Council is to ensure that financial plans over a three-year period are in step with the ability to raise income and that spending plans are affordable.

Reserves tied up in fixed assets

The Statement of Financial Position comprises net fixed assets amounting to £31.2million of which £23,966 is held as office equipment (Note 16).

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in Note 28 of the financial statements. At 31 December 2021 total designated reserves were £15.9m (2020 - £16.2million) of which £10.9m is held in tangible fixed assets as corporate property (2020 - £11.1million).

Restricted and endowment funds

As set out in Notes 29 and 30, the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2021 restricted funds totalled £9.7m (2020 - £7.1m) and endowment funds totalled £72.4m (2020 - £67.0m). Neither restricted or endowment funds are available for the general purposes of the Board.

Principal risks and uncertainties

The trustees confirm that the major risks, to which the Board is exposed, as identified by the trustees and employees, have been reviewed and that systems and procedures have been established to manage those risks.

The risk register identifies several risks and action plans are developed to mitigate risks to reduce the probability of the risk arising, or the impact should the risk arise. Dioceses initially identified two areas where the risk of either failure to act or the impact of the events is considered 'very high'. These areas are:

- **Common Fund:** *'collection is considerably less than financial plans'*
- **Stipendiary Numbers:** *'impact on deployment could affect the budget position'*

Management and mitigation

The Management and mitigation of these ongoing risks are considered regularly by Diocesan Officers and reported to Trustees. Common Fund is reviewed monthly with regular dialogue between the Finance Team, Parishes, Area Deans and Archdeacons. Stipendiary deployment is reviewed monthly by the Bishops and her Executive Staff.

Following the development of the Coronavirus pandemic (COVID-19), the principle risks above remained relevant and become higher risk, with new risks as outlined below:

- **Overall income impact and cashflow:** 'physical and economic market conditions severely affect cash inflow and the ability to achieve the approved budget position'
- **Government restrictions on working:** 'restrictions affect service delivery, with uncertainty of the length of impact'
- **Managing a remote workforce:** 'remote working creates complexity, in an organisation predominantly unfamiliar with such practises'
- **Maintaining services to key stakeholders:** 'the timing of support to parishes and clergy may be delayed'

Management and mitigation

The Management and mitigation of these new risks are considered by Diocesan Officers and reported regularly to Trustees:

- **Cashflow** – the budget is constantly being reviewed to minimise monthly and year-end impact including; freezing non-essential spend, maximising government funding support where appropriate, and advance receipts from Church Commissioners
- **Restrictions on working** – Heads of Service review service delivery and adjust as necessary
- **Remote Working** – Use of remote video conferencing at Heads and individual Team level supports continued delivery where possible, and supports staff wellbeing
- **Maintaining Service** – regular updates from the Bishop keep stakeholders informed and guide them on new ways of operating

Structure and Governance

Summary information about the structure of the Church of England

The Church of England is organised as two provinces, each led by an Archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses of which there are 42 in total. Each diocese is divided into parishes. Each parish is overseen by a parish priest (often called a vicar or rector). From ancient times through to today, they and their Bishop are responsible for the 'cure of souls' in their parish.

Her Majesty the Queen, who is the Supreme Governor of the Church of England, appoints Archbishops, Bishops and Deans of Cathedrals on the advice of the Prime Minister. The two Archbishops and 24 senior Bishops sit in the House of Lords.

The Church of England is episcopally-led by Diocesan Bishops assisted by Suffragan and Area Bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes Measures which, if accepted by Parliament, have the effect of Acts of Parliament. It is made up of three groups or houses of members; the Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The Three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions. The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for the clergy. The costs of episcopal administration through the Diocesan and Suffragan Bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pension authority to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations. The Pensions Board, which reports to the General Synod, is the trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Pensions Board its central responsibilities for retirement welfare, the Pensions Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

Derby Cathedral

The cathedral church is legally constituted as a separate entity currently exempt from Charity Commission registration and supervision. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Derby Cathedral Office, Cathedral Centre, 18-19 Iron Gate, Derby DE1 3GP.

The information about General Synod, the Church Commissioners, the Archbishops' Council and cathedral is included as background only. The financial transactions of these bodies do not form part of these financial statements.

Parochial Church Council (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church, though it may have more than one designated place of worship. The PCC is made up of the vicar (or rector) as chair, the churchwardens and a number of elected and ex-officio members. Each PCC is a charity and is currently excepted from registration with the Charity Commission, subject to the Charities Act 2006, under which those PCCs with gross income over £100,000 for the year are required to register. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC are prepared by the relevant PCC treasurer.

Parishes and Benefices

A benefice is a parish or group of parishes served by an incumbent who typically receives a stipend or part stipend, though some may not, and, usually, the benefit of free occupation and use of a parsonage house from the Diocese for carrying out spiritual duties.

Deanery and Archdeaconry

A deanery is a group of parishes supported by an Area Dean, Deanery Administrator and Deanery leadership Team, and an archdeaconry is a group of deaneries for which an Archdeacon is responsible. The Diocese is then the principal pastoral and in turn financial and administrative resource of the Church of England, encompassing the various archdeaconries under the leadership of the Diocesan Bishop.

Deanery Synods

Deanery Synods have two houses, laity and clergy, and their role is to:

- respond to requests from General Synod
- give effect to the decisions made by the Diocesan Synod
- consider matters affecting the Church of England by drawing together the views of the parishes within the deanery
- act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod
- raise with Diocesan Synod such matters as it considers appropriate
- elect members of the deanery to the Diocesan Synod and in respect of the House of Laity elect lay members of the Diocese to General Synod.

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan Bishop, the Suffragan Bishop and Archdeacons. Its role is to:

- consider matters affecting the Church of England in the Diocese
- act as a forum for debate of Christian opinion on matters of religious or public interest
- advise the Bishop where requested
- deal with matters referred by General Synod
- provide for the financing of the Diocese.

Organisational structure

The Diocese of Derby is one of 42 administrative units of the Church of England, covering the whole of Derbyshire and a few parishes on the fringes of the county in Staffordshire. It is administered through Derby Diocesan Board of Finance Limited (The); (the Board), a charitable trust company limited by guarantee.

During 2021 the Diocese was arranged as two archdeaconries, Chesterfield covering the north part with four deaneries and Derby the south with four deaneries. There are some 259 parishes within the Diocese.

Diocesan governance

Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the Diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods. The standing committee have the right to nominate persons for co-option by the House of Clergy or the House of Laity or otherwise to determine who else may nominate such persons but in other respects the procedure for co-opting members shall be determined by the respective houses. The Diocesan Synod usually meets three to four times a year.

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council as the Standing Committee of Diocesan Synod.

The Bishop's Council (and Standing Committee of the Diocesan Synod)

Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- to plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion
- to initiate proposals for action by the Synod and to advise it on matters on policy which are placed before it
- to advise the President, being the Diocesan Bishop, on any matters which they may refer to the Committee
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session
- to appoint members of committees or nominate individuals for election to committees, subject to the directions of the Synod
- to carry out such functions as the Synod may delegate to it.

Decision-Making Structure

Policy is formulated by the Bishop's Council for approval where required by Diocesan Synod. Strategic delivery of policy is the responsibility of the Diocesan Secretary. Bishop's Council may delegate any of its powers to the Business Committee.

Committee Structure

Bishop's Council

The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of eight ex-officio members (the Diocesan and Suffragan Bishops; two Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; the Executive Chair of the Board of Finance; the Chair of the Board of Education; the Chair of the Diocesan Mission and Pastoral Committee; four clergy elected by the House of Clergy from among their number (two from each of the Archdeaconry of Chesterfield and Derby) and nine lay persons elected by the members of the House of Laity (with at least three from each Archdeaconry) The maximum number of Directors shall not exceed 30.

Other statutory committees include:

Parsonages Committee - is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice. This includes setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board. From 21 May 2016 the Diocesan Board of Finance was designated as the Parsonage Board, which in turn delegates its functions to the Business Committee.

Diocesan Mission and Pastoral Committee - is responsible for the task of recommending pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. From 1 August 2015 this committee became coterminous with Bishop's Council, and the Chair is therefore the Bishop.

Diocesan Advisory Committee - advises on matters affecting churches and places of worship such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Derby Diocesan Board of Patronage - is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

In addition to the statutory committees Bishop's Council has set up the Business Committee, which has written terms of reference, to advise it on all governance and financial matters.

The Business Committee - meets approximately ten times each year and will work closely with the Diocesan Secretary. The Business Committee advises the Bishop's Council, in the discharge of the trustees' responsibilities for accounting policy, internal control, financial reporting and risk management. In addition, it provides strategic advice on the management of the Board's investment assets.

The Glebe Management Committee - is specifically tasked under the Endowments and Glebe Measure 1976 to manage diocesan glebe holdings to augment the diocesan stipends fund. From 12 July 2016 the Business Committee was designated as the Glebe Committee.

Remuneration Sub-Committee – is a sub-committee of the Business Committee and meets as and when required to make recommendations and decisions on clergy and lay employee remuneration.

Significant Control, Trustees and Management Personnel

Register of Persons of Significant Control

The Board maintains a Register of Persons of Significant Control.

Trustee Recruitment, Selection & Induction

The Trustees are the members of Bishop's Council and Directors of the company. Trustees are either ex-officio members or elected from the Diocesan Synod. Synod members are elected from representatives across the Diocese including clergy and lay people. Elections taking place every three years, with the last elections undertaken in 2021. Trustees are given induction training when first appointed and receive ongoing training, as appropriate. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

The Board has indemnity insurance for its trustees and key management personnel and £1,000,000 (2020 - £1,000,000) of cover is provided.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a Remuneration Panel consisting of a sub-set of members of the Business Committee including the Executive Chair of the Board of Finance, meeting as and when required. The terms of reference for this group is established by the Bishop's Council and includes; regular appraisals, remuneration and salary benchmarking and recommendation of changes where necessary.

Delegation of day-to-day delivery

The Trustees and the sub-committee which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and their colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the Board in accordance with the policies framed by the Trustees.

Funds held as Custodian Trustee

The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of separate bank accounts and accounting system. Further details of financial trust assets, whose market value amounted to £3.1million at 31 December 2021 (2020 - £2.8million), are available from the Board on request, and are summarised in note 31 of the financial statements. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the Board's solicitors.

Personnel

The efficient and effective running of the Diocese requires high quality staff across the DDBF. Our grateful thanks go to all the staff who supported the Diocese during 2021.

Although this report refers to employees of the Board and not parochial clergy, we would also like to thank the clergy who continue to deliver our mission across the Diocese.

General Synod Members

We would also like to acknowledge the General Synod representatives and thank them for their hard work acting as our elected members of General Synod. During 2021 our elected representatives were; Kat Alldread, Revd Neil Barber (from 14 October 2021) Revd Mark Broomhead (to 13 October 2021), Sue Cavill (from 14 October 2021), Revd Alicia Dring, Revd Julian Hollywell, Sian Kellogg, and Rhodri Williams (to 13 October 2021).

The trustees approve their Annual Report and, in their capacity as company directors, also approve the Strategic Report incorporated therein.

Related parties

General Synod, Church Commissioners and Archbishop's Council

The Board has a duty to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops and cathedral clergy are borne by the Church Commissioners and are not reflected in these financial statements.

Parochial Church Councils (PCCs)

The Board is required by Measure to be custodian trustee in relation to PCC property, but the Company has no control over PCCs, which are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Other charities

Derby Diocesan Board of Education

Derby Diocesan Board of Education (DDBE) is the statutory education authority for the Church in the Diocese. Its purpose is to promote and assist in the promotion of education in the Diocese, consistent with the faith and practice of the Church of England including the promotion of religious education and worship in schools within the Diocese. In addition, its purpose is to promote church schools in the Diocese and to advise governors of such schools. Whilst the DDBE is incorporated as a separate legal entity, the DDBF provides significant resources to the DDBE to facilitate the shared vision for mission and ministry with children and young people.

The Board co-operates with certain other charities in pursuit of its charitable objects and details of payments to these are to be found in note 12 to the financial statements.

Fundraising standards information

The charity does not carry out any significant fundraising activity.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Derby Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

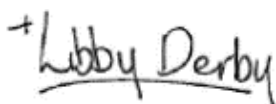
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

STATEMENT OF DISCLOSURE TO AUDITORS

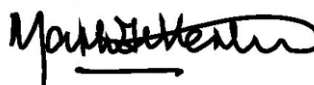
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE TRUSTEES



**The Right Reverend Libby Lane
The Bishop of Derby
Chair
23 May 2022**



**Canon Mark Titterton
Executive Chair of the DDBF
23 May 2022**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

Opinion

We have audited the financial statements of Derby Diocesan Board of Finance Limited (The) (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

1. give a true and fair view of the state of the charitable company's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report of the trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

1. the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
2. the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

1. adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
2. the financial statements are not in agreement with the accounting records and returns; or
3. certain disclosures of directors' remuneration specified by law are not made; or
4. we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with Trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Senior Statutory Auditor)

for and on behalf of BHP LLP
2 Rutland Park
Sheffield
South Yorkshire
S10 2PD

Date: 25 May 2022

FINANCIAL STATEMENTS

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DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2021

		Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	Note	£	£	£	£	£
Income and endowments from:						
Donations	2					
Common Fund		4,011,002	-	-	4,011,002	4,161,907
Archbishops' Council		1,665,411	63,523	-	1,728,934	1,820,277
Other donations		367,990	-	-	367,990	317,912
Charitable activities	3	469,076	5,000	-	474,076	783,715
Other activities	4	382,891	-	-	382,891	344,002
Investments	5	1,471,127	280,801	-	1,751,928	1,718,271
Other incoming resources	6	25,204	-	1,448,755	1,473,959	772,715
Total income and endowments		8,392,701	349,324	1,448,755	10,190,780	9,918,799
Expenditure on:						
Raising funds	7	129,231	-	-	129,231	100,020
Charitable activities	8	8,892,340	423,215	-	9,315,555	8,843,396
Clergy Pension Scheme Movement	25	-	-	(27,000)	(27,000)	24,000
Other resources expended	9	1,091	-	-	1,091	-
Total expenditure		9,022,662	423,215	(27,000)	9,418,877	8,967,416
Net income/(expenditure) before investment gains		(629,961)	(73,891)	1,475,755	771,903	951,383
Net gains/(losses) on investments		1,311,062	630,479	5,288,218	7,229,759	3,268,112
Net income/(expenditure)		681,101	556,588	6,763,973	8,001,662	4,219,495
Transfers between funds	15	(701,000)	2,000,180	(1,299,180)	-	-
Other recognised gains/(losses)						
Net gains/(losses) on revaluation of fixed assets	16	(6,254)	-	-	(6,254)	-
Net movement in funds		(26,153)	2,556,768	5,464,793	7,995,408	4,219,495
Reconciliation of funds						
Total funds at 1 January		21,115,507	7,099,374	66,967,183	95,182,064	90,962,569
Total funds at 31 December	26	21,089,354	9,656,142	72,431,976	103,177,472	95,182,064

All activities derive from continuing activities.

The notes on pages 30 to 51 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2021

	2021	2020
	£	£
Total income (less endowment)	8,742,025	9,207,862
Resources expended (less endowment)	<u>(9,445,877)</u>	<u>(8,943,416)</u>
Operating (deficit)/surplus for the year	(703,852)	264,446
Net gains/(losses) on investments	<u>1,941,541</u>	<u>631,257</u>
Income for the year	1,237,689	895,703
Other comprehensive income/(expenditure):		
Net assets transferred from endowments	1,299,180	193,220
Net gains/(losses) on revaluation of fixed assets	(6,254)	-
Total comprehensive income:	<u><u>2,530,615</u></u>	<u><u>1,088,923</u></u>

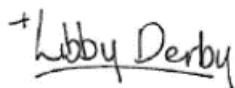
The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

COMPANY NUMBER 229700

	Note	2021		2020	
		£	£	£	£
Fixed Assets					
Tangible assets	16	31,217,797		31,462,085	
Investments	17	<u>66,011,485</u>		<u>59,028,723</u>	
			97,229,282		90,490,808
Current Assets					
Assets held for sale	18	247,000		615,044	
Debtors	19	765,144		924,921	
Cash on deposit		5,989,461		4,454,311	
Cash at bank and in hand		<u>30,147</u>		<u>25,142</u>	
		7,031,752		6,019,418	
Creditors: amounts falling due within one year	20	<u>(721,624)</u>		<u>(921,224)</u>	
Net Current Assets			<u>6,310,128</u>		<u>5,098,194</u>
Total Assets less Current Liabilities			103,539,410		95,589,002
Creditors: amounts falling due after more than one year					
Pension scheme liabilities		(87,000)		(132,000)	
Other creditors		<u>(274,938)</u>		<u>(274,938)</u>	
			(361,938)		(406,938)
Net Assets			<u>103,177,472</u>		<u>95,182,064</u>
The Funds of the Charity					
Unrestricted income funds					
General Fund		5,217,264		4,893,382	
(Including investment revaluation reserve of £2,221,329 (2020 - £1,671,170))					
Designated funds	28	15,872,090		16,222,125	
(Including investment revaluation reserve of £3,118,864 (2020 - £2,044,896))					
			21,089,354		21,115,507
Restricted income funds	29		9,656,142		7,099,374
(Including investment revaluation reserve of £1,974,130 (2020 - £1,341,527))					
Endowment funds	30		72,431,976		66,967,183
(Including investment revaluation reserve of £24,188,635 (2020 - £18,968,943))					
Total Funds			<u>103,177,472</u>		<u>95,182,064</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 May 2022 and signed on behalf of the Board by:



The Bishop of Derby - The Rt Revd Libby Lane

The notes on pages 30 to 51 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net cash used in operating activities	(2,515,368)	(1,943,376)
Cash flows from investing activities:		
Dividends, interest and rent from investments	1,751,928	1,718,271
Royalty income and land transactions	322,575	272,717
Proceeds from the sale of property, plant and equipment	2,000,180	578,220
Proceeds from the sale of investment property	-	46,042
Proceeds from the sale of Brewin Dolphin investments	-	4,904
Purchase of property, plant and equipment	(19,160)	(563,551)
Purchase of investments securities	-	-
Net cash provided by investing activities	4,055,523	2,056,603
Change in cash and cash equivalents in the year	1,540,155	113,227
Cash and cash equivalents at 1 January	4,479,453	4,366,226
Cash and cash equivalents at 31 December	6,019,607	4,479,453

	2021	2020
	£	£
Reconciliation of net movement in funds to net cash outflow from operating activities		
Net movement in funds for the year ended 31 December	7,995,408	4,219,495
Adjustments for:		
Net (gains)/losses on investments	(7,229,759)	(3,268,112)
Net (gains)/losses on revaluation of fixed assets	6,254	-
Depreciation charges	10,271	11,579
Dividends, interest and rent from investments	(1,751,928)	(1,718,271)
Royalty income and land transactions	(322,575)	(272,717)
Net (Profit) on the sale of fixed assets	(1,138,216)	(438,220)
Decrease/(Increase) in debtors	159,777	(19,832)
Increase/(Decrease) in creditors, excluding clergy pension scheme movement	13,400	(96,298)
Clergy pension scheme movement	(258,000)	(361,000)
Net cash used in operating activities	(2,515,368)	(1,943,376)
Analysis of cash and cash equivalents		
Notice deposits (less than 3 months)	5,989,461	4,454,311
Cash in hand	30,147	25,142
	6,019,608	4,479,453

Analysis of Changes in Net Debt

The Diocese has no cash equivalents, repayable overdraft facilities, loans due or finance lease obligations at 31 December 2021 (2020 - Nil)

Movements in cash are reflected in the statement of cashflows above.

The notes on pages 30 to 51 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in c), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP (FRS 102)), the Companies Act 2006 and applicable accounting standards, Financial Reporting Standard (FRS) 102.

Derby Diocesan Board of Finance Ltd meets the definition of a public benefit entity under FRS 102.

The principle accounting policies and estimation techniques are as follows:

a) Income

All income is included in the Statement of Financial Activities (SOFA) when the Board is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- i) Common Fund is recognised as income of the year in respect of which it is receivable with contributions received by 31 January in the following financial year-end explicitly relating to the period under review included as debtors
- ii) Rent receivable is recognised as income in the period in respect to which it relates.
- iii) Interest and dividends are recognised as income when receivable.
- iv) Grants received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) Grants received which are not subject to pre-conditions for entitlement specified by the donor are treated as income in the year
- vi) Parochial fees are recognised as income of the year to which they relate.
- vii) Donations other than grants are recognised when receivable.
- viii) Gains on disposal of fixed assets for the Board's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
- ix) Stipends fund income. The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.
- x) Mineral royalty receipts are uncertain, however receipts are accounted for as income when they arise
- xi) Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing.

b) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

- i) Costs of raising funds represent costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
- ii) Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and diocesan projects.
- iii) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) Support costs consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on the basis of the estimated usage of resources at Church House.

The apportionment can be summarised as follows:

Resourcing ministry and mission (95.0%), Diocesan Projects (1.5%), Synodical Governance (3.5%)

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

- v) Pension contributions. Some of the Board's staff are members of the Church Workers Pension Fund Pension Builder 2014 Scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 25). The pension costs charged as resources expended represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Board participates are accrued at current value in creditors distinguished between contributions falling due within one year and those falling due after more than one year.

c) Tangible fixed assets and depreciation

Freehold & leasehold houses and houses subject to value-linked loan

The primary purpose of residential property held in the benefice houses fund and as corporate houses is to house ministers and all such properties are held as functional fixed assets. Residential property is not held for investment purposes i.e. to generate an income or for capital gain.

Freehold houses and houses subject to value-linked loan are shown at cost, or deemed cost, where historic cost values are not readily available.

Where the Board acquires property on its own account, the expenditure is capitalised. Gains or losses arising from sales of corporate property are dealt with through the designated fund (corporate properties fund).

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS 102 to ensure that the carrying value is not more than the recoverable amount.

Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value. Glebe agricultural land was valued as at 31 December 2020 by Savills, Chartered Surveyors, who manage the portfolio. For allotments and other small miscellaneous holdings, a valuation is provided by the Assistant Secretary (Property) (an employee of the Derby Diocesan Board of Finance Limited).

The fair value of a quarry was valued as at 31 December 2021 by Coke Turner & Co, Mineral Surveyors, who act as agents for the Board, based on the rent and royalty income streams likely to be achieved over the remaining term of the lease.

Parsonage houses

The Board has followed the requirements of FRS 102, in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. Parsonage houses are carried at their deemed or historical cost.

d) Other tangible fixed assets

No provision for depreciation is provided in respect of Church House, as it is fully maintained with a view to ensuring that the total residual value is not less than the amount stated in the financial statements. Accordingly, any depreciation would be immaterial.

Depreciation on office equipment is calculated to write off the cost of each asset over its expected useful life by equal annual instalments at the rates below, (% p.a. on cost). Items costing less than £1,000 are not capitalised.

Computer hardware and software	33⅓%	straight line
Furniture & fittings	10%	straight line
Other office equipment	20%	straight line

e) Other accounting policies

- i) Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.
- ii) Leases. The Board has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause whichever is shorter in time.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

f) Fund balances

Fund Balances are split between unrestricted (general and designated), restricted and endowment funds.

- **Unrestricted funds** are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:
 - General funds for the general purposes of the Board and
 - Designated funds set aside out of unrestricted funds by the Board for a purpose specified by the Trustees.
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
- **Endowment funds** are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the Board (Benefice Houses and Stipends Fund Capital), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the note 31 to the financial statements.

g) Financial instruments

The Board of Finance only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which would be subsequently measured at amortised cost using the effective interest method.

h) Going concern

The Board have considered the continuing impact of COVID-19 on the charitable company's income and operating cost base. It is believed that the duration and extent of the disruption has started to ease, and the Board are confident that they have in place plans to deal with any future financial losses that may arise, as provided for when setting the 2022 and indicative 2023 budget.

The Board have prepared forecasts of income and expenditure and cash flow for the period to 31 December 2023 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. They will continue to monitor the impact on income and take appropriate action as necessary. The Board therefore continue to adopt the going concern basis of preparation for these financial statements

i) Employee Benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

j) Debtors

Debtors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

k) Creditors & Provisions

Creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

l) Critical Accounting Estimates & Assumptions

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present values of Church of England Funded Pension Scheme depend on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liability.

Another area of key estimation uncertainty is the valuation of investment land and property. The valuations are subject to judgements of an expert or management including, but not limited to, the state of repair of the properties, local knowledge, future income yields and market conditions.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	£	£	£	£	£
2. Donations					
Common Fund					
The majority of donations are collected from the parishes of the diocese through the Common Fund system.					
Chesterfield Archdeaconry	1,942,541	-	-	1,942,541	2,064,387
Derby Archdeaconry	1,998,411	-	-	1,998,411	2,055,735
	3,940,952	-	-	3,940,952	4,120,122
Other receipts	52,617	-	-	52,617	41,785
Receipts for previous years	17,433	-	-	17,433	-
	4,011,002	-	-	4,011,002	4,161,907
Total Common Fund receipts represent 71.5% of the amount allocated (2020 - 75.6%).					
Archbishops' Council					
Selective allocation	1,547,214	-	-	1,547,214	1,632,889
Restructure Funding	-	63,523	-	63,523	187,388
Strategic Ministry Funding	118,197	-	-	118,197	-
	1,665,411	63,523	-	1,728,934	1,820,277
Other donations					
Allchurches Trust grant	137,000	-	-	137,000	138,000
Legacy income	37,892	-	-	37,892	-
Other donations and grants	193,098	-	-	193,098	179,912
	367,990	-	-	367,990	317,912
3. Charitable activities					
Statutory fees	326,280	-	-	326,280	240,725
Church Commissioners	-	-	-	-	-
Other contributions and income	142,432	5,000	-	147,432	541,338
Sale of publications	364	-	-	364	1,652
	469,076	5,000	-	474,076	783,715
4. Other activities					
Rental income	382,891	-	-	382,891	344,002
	382,891	-	-	382,891	344,002
5. Investments					
Dividends receivable					
Central Board of Finance Investment Funds	919,551	207,492	-	1,127,043	1,096,051
Central Board of Finance Property Funds	289,407	71,075	-	360,482	335,010
Central Board of Finance Global Equity Funds	147,714	-	-	147,714	144,897
Interest on cash deposits					
CBF & Other Deposit Funds	1,481	2,234	-	3,715	14,336
National Westminster Bank	138	-	-	138	2,131
Rents receivable (glebe land and buildings)	112,836	-	-	112,836	125,846
	1,471,127	280,801	-	1,751,928	1,718,271
6. Other incoming resources					
Gain on disposal of physical assets	13,956	-	1,126,180	1,140,136	438,220
Glebe Mineral Royalties & Land Income	-	-	322,575	322,575	272,717
Lichfield Trust receipt	10,537	-	-	10,537	8,000
Coronavirus Job Retention Scheme Grant	711	-	-	711	53,778
	25,204	-	1,448,755	1,473,959	772,715
Total income and endowments	8,392,701	349,324	1,448,755	10,190,780	9,918,799

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	£	£	£	£	£
7. Fund raising costs					
Glebe land agents' fees and other expenses	68,103	-	-	68,103	47,161
Other agents' commission and expenditure	61,128	-	-	61,128	52,859
	129,231	-	-	129,231	100,020
8. Charitable activities					
Contributions to Archbishops' Council					
Training for ministry	211,619	-	-	211,619	211,623
National Church responsibilities	175,434	-	-	175,434	184,826
Retired clergy housing costs (CHARM)	77,878	-	-	77,878	75,979
Pooling of ordinand candidates' costs	22,319	-	-	22,319	34,611
	487,250	-	-	487,250	507,039
Resourcing Ministry & Mission					
Parish ministry					
Stipends, salaries and national insurance	3,626,140	143,696	-	3,769,836	3,851,540
Pension contributions	1,048,827	7,076	-	1,055,903	921,631
Housing costs	1,150,878	181,048	-	1,331,926	1,026,688
Removal, resettlement and other expenses	197,583	-	-	197,583	144,027
	6,023,428	331,820	-	6,355,248	5,943,886
Support for parish ministry	2,006,635	84,790	-	2,091,425	1,933,078
	8,030,063	416,610	-	8,446,673	7,876,964
Expenditure on Education & Diocesan Projects					
Diocesan Board of Education	327,898	-	-	327,898	327,368
Derby Cathedral	18,530	-	-	18,530	18,275
Church of North India Partnership	750	-	-	750	750
Clergy Widows & Orphans	-	6,605	-	6,605	7,000
Diocesan projects	-	-	-	-	1,000
Parishes	27,849	-	-	27,849	105,000
	375,027	6,605	-	381,632	459,393
Total charitable activities	8,892,340	423,215	-	9,315,555	8,843,396
9. Other resources expended					
Loss on disposal of properties	1,091	-	-	1,091	-
	1,091	-	-	1,091	-
Clergy Pension Scheme Movement (Note 25)	-	-	(27,000)	(27,000)	24,000
	-	-	(27,000)	(27,000)	24,000
Total expenditure	9,022,662	423,215	(27,000)	9,418,877	8,967,416

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10. Analysis of expenditure (including allocation of support costs)

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total costs 2021 £	Total costs 2020 £
Raising Funds	129,231	-	-	129,231	100,020
<u>Charitable activities</u>					
Contributions to Archbishops' Council	-	487,250	-	487,250	507,039
Resourcing Ministry & Mission	7,626,314	389,052	431,307	8,446,673	7,876,964
Board of Education & Diocesan Projects	-	381,632	-	381,632	459,393
Clergy Pension Scheme Movement	(27,000)	-	-	(27,000)	24,000
Other Resources Expended	1,091	-	-	1,091	-
	7,729,636	1,257,934	431,307	9,418,877	8,967,416
<i>2020 comparison</i>	<i>7,223,577</i>	<i>1,280,679</i>	<i>463,160</i>	<i>8,967,416</i>	

11. Analysis of support costs

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	General	Designated				
	£	£	£	£	£	£
Central Administration	372,397	-	-	-	372,397	408,429
<u>Governance:</u>						
External audit	20,140	-	-	-	20,140	15,450
Registrar and Chancellor	23,779	-	-	-	23,779	16,123
Synodical costs	14,991	-	-	-	14,991	16,211
	431,307	-	-	-	431,307	456,213

12. Analysis of grants made

	Grants to		Total Grants 2021	Total Grants 2020
	individuals	institutions		
	£	£	£	£
<u>From unrestricted funds for National Church responsibilities:</u>				
Contributions to Archbishops' Council	-	487,250	487,250	507,039
<u>From unrestricted funds:</u>				
Removal, resettlement & first appointment grants	110,218	-	110,218	68,865
Ordinands in training	278,834	-	278,834	252,329
Derby Diocesan Board of Education	-	327,898	327,898	327,368
Derby Cathedral Chapter	-	18,530	18,530	18,275
Church of North India Partnership	-	750	750	750
Parishes	-	27,849	27,849	105,000
<u>Restricted income funds</u>				
Clergy Widows & Orphans	-	6,605	6,605	7,000
Diocesan projects	-	-	-	1,000
	389,052	868,882	1,257,934	1,287,626

Significant Grants to Institutions:

Archbishops Council - to support; national training for Ministry; responsibilities of the National Church; grants and provisions made by the National Church; Inter-diocesan support for clergy pension contributions; and housing assistance for retired ministry

Derby Diocese Board of Education - to support the DDBE vision of 'offering our children and young people life in all of its fullness' by; Growing - providing experiences rooted in faith, hope and love; Building Connections - valuing contributions to the community; Learning - pursuing the highest academic standards; and Healthy - providing safe places of welcome & belonging.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
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For the year ended 31 December 2021

13 Staff costs

Employee costs during the year were as follows:

	2021 £	2020 (restated) £
Wages & salaries	1,092,963	1,092,226
National insurance contributions	104,887	96,660
Pension costs:		
Church of England Funded Pensions Scheme	39,481	22,150
Church Workers Pension Fund Pension Builder 2014 Scheme	82,857	86,587
Other defined contribution pension schemes	8,400	8,379
	<u>1,328,588</u>	<u>1,306,002</u>

The average number of persons employed by the Board during the year:

	2021 Number	2020 Number
Administration, property and financial management	13	14
Discipleship, Mission & Ministry (including Vocations)	12	9
Human resources, safeguarding & communications	10	11
Parochial, Deanery & Other	9	9
	<u>44</u>	<u>43</u>

Average number of persons employed by the Board during the year based on full-time equivalents:

	2021 Full-time equivalent	2020 Full-time equivalent
Administration, property and financial management	11.3	11.6
Discipleship, Mission & Ministry (including Vocations)	9.0	7.2
Human resources, safeguarding & communications	7.6	7.8
Parochial, Deanery & Other	4.8	4.8
	<u>32.7</u>	<u>31.4</u>

The number of staff whose total emoluments (salary plus taxable benefits excluding pension contributions) exceeded £60,000 during the year is as follows:

	2021 (Number)	2020 (Number)
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

Pension payments of £17,436 (2020 - £13,345) were made for these employees.

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2021 they were:

Diocesan Secretary and Company Secretary (to 28 February 2021)	Ms R Morris
Diocesan Secretary and Company Secretary (from 01 Dec 2021)	Ms K Godfrey
Head of Finance (and Acting Diocesan Secretary to 30 Nov 2021)	Mr M Marples
Director of Discipleship, Mission & Ministry	Revd Canon M Barnes
Diocesan Safeguarding Advisor	Mrs H Hogg
HR Manager	Mrs M Francis
Head of Property	Mr G Webster

Remuneration, employer's National Insurance contributions and employer's pension contributions for these employees amounted to £367,338 (2020 - £299,570)

NB: Derby Cathedral contributed £2,215 (2020: £13,290) to DBF as a share of the cost of the former Diocesan Secretary in their joint role as Chapter Steward.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

14 Trustees' emoluments

None of the trustees received any emoluments from the Board of Finance in respect of services performed as trustees (2020 - £nil). During the year no trustee claimed reimbursement for travel or out of pocket expenses (2020 - 2 trustees claimed expenses totalling £97).

The following table gives details of the Trustees who were in receipt of a salary, stipend and/or housing provided by the Board during the year:

	Stipend	Housing
The Revd D Ballard	Yes	Yes
The Venerable Carol Coslett	Yes	Yes
The Revd K Hamblin	Yes	Yes
The Revd J Hollywell	Yes	Yes
The Revd J Page	Yes	Yes
The Revd C Pearson	Yes	Yes
The Revd B J Stober	Yes	Yes
The Revd P Walley	Yes	Yes
The Revd J Ward	Yes	Yes

The Board is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and most cathedral staff. The Board is also responsible for the provision of housing for stipendiary clergy in the diocese including the suffragan bishop but excluding diocesan bishop and most cathedral staff.

The Board paid an average of 122.4 fte (2020 – 128.5 fte) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2021	2020
	£	£
Stipends	3,465,854	3,545,031
National insurance contributions	287,593	292,724
Pension costs (including deficit funding)	1,286,904	1,306,631
	5,040,351	5,144,386

The stipends of Bishops are paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and Suffragan Bishop are funded by the Church Commissioners and from 1 April 2021 are in the range £37,670 - £46,560 (1 April 2020 range, £37,670 - £46,560). The annual rate of stipend, funded by the Board, paid from 1 April 2021 to Archdeacons was in the range £36,830 - £38,250 (1 April 2020 range, £36,830 - £38,250) and other clergy who were Trustees were paid in the range £25,265 - £27,650 (1 April 2020 range, £25,265 - £27,650). The estimated value of church provided housing in 2021 was an average of £10,882 (2020 - £7,990).

15. Analysis of transfers between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total 2021
	£	£	£	£
Transfer to/(from):				
Benefice House transfer to Corporate Property	-	-	-	-
Corporate Property transfer to Benefice Housing	-	-	-	-
Diocesan Pastoral Account to purchase corporate houses	-	-	-	-
Benefice house sale proceeds (3) to Diocesan Pastoral Account	-	1,530,180	(1,530,180)	-
Corporate Property sale proceeds (2) to Diocesan Pastoral Account	(470,000)	470,000	-	-
Clergy pension scheme costs transferred to Stipends Fund Capital	(231,000)	-	231,000	-
	(701,000)	2,000,180	(1,299,180)	-

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16. Tangible fixed assets

	Parsonages	Freehold houses Glebe	Freehold houses Corporate	Leasehold houses Corporate	Church House Corporate	Office Equipment	Total
	£	£	£	£	£	£	£
Cost or deemed cost							
At 1 January 2021	20,194,978	170,000	10,136,720	309,478	635,000	92,313	31,538,489
Unheld for sale	-	-	-	-	-	-	-
Additions	-	-	-	-	-	19,160	19,160
Transfers	-	-	-	-	-	-	-
Disposals	(60,000)	-	(186,091)	-	-	(832)	(246,923)
Revalued	-	-	(1,254)	-	(5,000)	-	(6,254)
Treated as 'Held for Sale'	-	-	-	-	-	-	-
At 31 December 2021	20,134,978	170,000	9,949,375	309,478	630,000	110,641	31,304,472
Depreciation							
At 1 January 2021	-	-	-	-	-	76,404	76,404
Charge for the year	-	-	-	-	-	10,271	10,271
Disposals	-	-	-	-	-	-	-
At 31 December 2021	-	-	-	-	-	86,675	86,675
Net book value							
At 31 December 2021	20,134,978	170,000	9,949,375	309,478	630,000	23,966	31,217,797
Number of houses	131	3	40	1			175
At 31 December 2020	20,194,978	170,000	10,136,720	309,478	635,000	15,909	31,462,085
Number of houses	132	3	41	1			177

All the above assets are used for charitable purposes. In the opinion of the Directors the carrying value of land and buildings is less than the total market value. Church House includes the Diocesan Office and was revalued in 2021, by Milner Commercial Chartered Surveyors.

17. Fixed asset investments

	2021	2020
	£	£
Investment securities within the United Kingdom (market value)		
At 1 January 2021	51,260,493	48,295,800
Additions at cost	-	-
Disposals	-	(4,810)
Unrealised gains/(losses)	7,429,762	2,969,503
At 31 December 2021	58,690,255	51,260,493
Investment properties (market value)		
At 1 January 2021	7,768,230	7,515,757
Additions at cost	-	-
Unrealised gains/(losses)	(200,000)	252,473
Treated as 'Held for Sale'	(247,000)	-
At 31 December 2021	7,321,230	7,768,230
Total fixed asset investments within the United Kingdom	66,011,485	59,028,723

Securities: Gains/(Losses) by Fund: Unrestricted £1,367,562 [2020 - £537,562], Restricted £573,981 [2020 - £93,599], Endowment £5,488,219 [2020 - £2,338,342]

Properties: Gains/(Losses) by Fund: Endowment £Nil [2020 - (£252,473)]

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

17. Fixed asset investments (continued)

	2021		2020	
	£	£	£	£
	Cost	Market value	Cost	Market value
Unlisted investment securities				
CCLA Central Board of Finance of the Church of England				
Investment fund income shares	19,155,397	44,337,224	19,155,397	38,788,372
Global equity fund income shares	3,200,000	6,164,946	3,200,000	5,306,232
Property fund income shares	6,920,845	8,188,085	6,920,845	7,165,889
Total investment securities	29,276,242	58,690,255	29,276,242	51,260,493
Investment properties comprise:-				
Glebe agricultural land		7,176,430		7,623,430
Other property		144,800		144,800
Total investment properties		7,321,230		7,768,230

Due to their nature the historic cost of investment properties is not known.

18. Assets Held for Sale

Non current Assets Held for Sale and Discontinued Operations requires properties in the process of being sold to be treated separately from assets held for continuing activities. For assets to be classified as 'Held for Sale' they must satisfy a number of conditions including the availability of immediate sale and that the sale is highly probable. To be highly probable; the organisation must be committed to a plan to sell the assets; an active programme to find a buyer must have been initiated; the asset must be actively marketed for sale at a price reasonable to its current fair value; the sale is expected to be completed within 1 year from the date of classification, and significant changes to the plan should be unlikely.

At 31 December 2021, there were 4 plots of land classified as 'Held for Sale, with a book value of £247,000 (2020 - 3 properties, £615,044).

19. Debtors

	2021	2020
	£	£
Amounts due from PCCs (unsecured) - Common Fund	119,248	154,904
Amounts due from PCCs (unsecured) - Loans to Parishes	33,172	53,917
Other debtors	598,564	640,914
Prepayments & accrued income	14,160	75,186
Total debtors	765,144	924,921
Debtors comprise:		
Amounts due within one year	724,701	873,023
Amounts due after more than one year	40,443	51,898
	765,144	924,921

20. Creditors

	2021	2020
	£	£
Amounts falling due within one year		
Sundry creditors	563,624	553,774
Accruals	19,000	15,450
Church of England Funded Pension Scheme liability	139,000	352,000
	721,624	921,224
Amounts falling due after more than one year		
Church of England Funded Pension Scheme liability	87,000	132,000
Value-linked loans for houses with the Church Commissioners (see note below)	274,938	274,938
	361,938	406,938

Note

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
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21. Contingent liabilities

The Board is party to a mortgage with Derbyshire County Council totalling £20,000 (2020 - £20,000).

22. Capital commitments

Capital expenditure:

	2021	2020
	£	£
Contracted for but not provided for in the Financial Statements:		
Purchase of property	-	-
	<u>-</u>	<u>-</u>

23. Operating lease commitments

As at 31 December the Board had annual commitments under non-cancellable operating leases as set out below:

	2021	2020
	£	£
Operating leases which expire:		
Not later than 1 year	-	-
	<u>-</u>	<u>-</u>

The amount charged to the Statement of Financial Activities in 2021 was £nil (2020 - £nil).

24. Events occurring after the end of the reporting period

In 2021 the value of financial investment assets increased by £7.5m as per note 17. The impact of conflict in Eastern Europe has had a detrimental effect on the value of financial investment assets since 31 December 2021, reducing them by £2.6m in Q1 of 2022. This is a non-adjusting post balance sheet item under FRS102. The users of the financial statements attention is drawn to this, as the value of the financial investment assets is volatile and affected by global economic, political and social events.

25. Pensions

The Board participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Board and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other is the Church Workers Pension Fund. The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of Financial Reporting Standard (FRS) 102 requires the Board to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for the Board. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

With effect from 1 January 1998, diocesan clergy became members of the Church of England Funded Pensions Scheme. This defined benefit scheme provides benefits based on the National Minimum Stipend in the year before their date of retirement and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Benefits are currently being accrued on the basis of half of the National Minimum Stipend (NMS) being paid as the normal pension on reaching the age of 68 on completion of maximum service of 41.5 years, or 1.25 times this amount for archdeacons, plus a lump sum of three times the pension based on the previous year's NMS payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 will be provided for by the Church Commissioners under the previous arrangements.

The Board participates in the Church of England Funded Pensions Scheme which is administered by the Church of England Pensions Board and holds the assets of the Scheme separately from those of the employer and other participating employers. At the end of the year the Board was paying contributions for 132 members of the Scheme (2020 - 138 members). Each participating employer in the Scheme pays contributions at a common contribution rate applied to pensionable stipends. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities (SoFA) in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
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25. Pensions (continued)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2018. This revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- an average discount rate of 3.2% p.a.
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter” of 7 and an initial addition to mortality improvements of 0.5% p.a.

Following the 31 December 2018 valuation of the Scheme, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions payable (as a percentage of pensionable stipends) are set out in the table below.

Percentage of pensionable stipends

	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

Post scheme valuation, the deficit recovery contribution from 1 April 2022 has been lowered from 7.1% to 3.2%.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

Reconciliation of balance sheet liability

	2021 £	2021 £	2020 £	2020 £
Balance sheet liability as at 1 January 2021		484,000		845,000
Deficit contribution paid	(232,000)		(392,000)	
Interest cost (recognised in SoFA)	1,000		7,000	
Remaining change to balance sheet liability * (recognised in SoFA)	(27,000)	(258,000)	24,000	(361,000)
Balance sheet liability as at 31 December 2021		<u>226,000</u>		<u>484,000</u>

* Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.

Note

<i>Estimated amount due within one year</i>	<i>139,000</i>	<i>352,000</i>
<i>Estimated amount due after one year</i>	<i>87,000</i>	<i>132,000</i>
	<u>226,000</u>	<u>484,000</u>

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

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For the year ended 31 December 2021

25. Pensions (continued)

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. In general, these are set by reference to the duration of the deficit recovery payments but as at 31 December 2021, under accounting rules the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

	2021	2020	2019	2018	2017
	%	%	%	%	%
Discount rate	0.0	0.2	1.1	2.1	1.4
Price inflation	n/a	3.1	2.8	3.1	3.0
Increase in total pensionable payroll	-1.5	1.6	1.3	1.6	1.5

The legal structure of the Scheme is such that if another Responsible Body fails, Derby Diocesan Board of Finance Ltd could become responsible for paying a share of that Responsible Body's pension liabilities.

Office holder pension contributions are shown in Note 14 and totalled £1,286,904 in 2021 (2020 £1,306,631)

Other clergy pension contributions, paid to ordained DBF staff are shown in Note 13 and totalled £39,481 in 2021 (2020 £22,150)

Church Workers Pension Fund

The Pension Builder Scheme of the Church Workers Pension Fund (CWPF) is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Church Workers Pension Fund - Pension Builder 2014

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2019. The next valuation is due at 31 December 2022.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of the failed employer's pension liabilities.

Contributions made to The Church Workers Pension Schemes are shown in Note 13 and totalled £82,857 in 2021 (2020 £86,587)

Other Schemes

In addition to the Church of England Pension scheme, for those employees who have opted out of the scheme, contributions are made to individual pension schemes at the same rate.

Contributions made to opted out employees are shown in Note 13 and totalled £8,400 in 2021 (2020 £8,379)

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For the year ended 31 December 2021

26. Summary of fund movements

	As at 1 January 2021	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2021
	£	£	£	£	£	£
Unrestricted income funds						
General Fund	4,893,382	6,488,717	(6,820,782)	710,934	(54,987)	5,217,264
Glebe funds (net of agent fees)	-	1,103,697	(1,103,697)	-	-	-
<u>Designated funds</u>						
Corporate Properties fund	11,077,304	13,956	(1,091)	(6,254)	(470,000)	10,613,915
Parsonages	804,704	442,079	(652,937)	105,403	(121,838)	577,411
Other designated funds	4,340,117	344,252	(444,155)	494,725	(54,175)	4,680,764
Pension reserve	-	-	-	-	-	-
	21,115,507	8,392,701	(9,022,662)	1,304,808	(701,000)	21,089,354
Restricted income funds						
Diocesan Pastoral Account	3,709,374	60,426	(164,516)	178,456	2,000,180	5,783,920
Local Mission Fund	22,445	5,000	-	-	-	27,445
Other restricted income funds	3,367,555	283,898	(258,699)	452,023	-	3,844,777
	7,099,374	349,324	(423,215)	630,479	2,000,180	9,656,142
Endowment funds						
Expendable endowment						
Benefice Houses	20,538,978	1,126,180	-	-	(1,530,180)	20,134,978
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	41,492,808	322,575	27,000	4,584,052	231,000	46,657,435
Other permanent endowment funds	4,935,397	-	-	704,166	-	5,639,563
	66,967,183	1,448,755	27,000	5,288,218	(1,299,180)	72,431,976
Total funds	95,182,064	10,190,780	(9,418,877)	7,223,505	-	103,177,472

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27. Summary of assets per fund at 31 December 2021

	Fixed assets		Current assets	Creditors	Net assets
	tangible	investments			
	£	£	£	£	£
Unrestricted income funds					
General Fund	23,966	5,003,623	542,002	(352,327)	5,217,264
Designated funds (see note 28)					
Corporate Properties fund	10,888,853	-	-	(274,938)	10,613,915
Parsonages	-	566,003	241,705	(230,297)	577,411
Other designated funds	-	3,908,148	772,616	-	4,680,764
	<u>10,912,819</u>	<u>9,477,774</u>	<u>1,556,323</u>	<u>(857,562)</u>	<u>21,089,354</u>
Restricted income funds (see note 29)					
Diocesan Pastoral Account	-	2,428,861	3,355,059	-	5,783,920
Local Mission Fund	-	-	27,445	-	27,445
Other restricted income funds	-	3,612,857	231,920	-	3,844,777
	<u>-</u>	<u>6,041,718</u>	<u>3,614,424</u>	<u>-</u>	<u>9,656,142</u>
Endowment funds (see note 30)					
Expendable endowment funds					
Benefice Houses	20,134,978	-	-	-	20,134,978
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	44,865,453	1,847,982	(226,000)	46,657,435
Other permanent endowment funds	-	5,626,540	13,023	-	5,639,563
	<u>20,304,978</u>	<u>50,491,993</u>	<u>1,861,005</u>	<u>(226,000)</u>	<u>72,431,976</u>
Total funds	<u>31,217,797</u>	<u>66,011,485</u>	<u>7,031,752</u>	<u>(1,083,562)</u>	<u>103,177,472</u>

28. Designated funds

	As at 1 January 2021	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2021
	£	£	£	£	£	£
Corporate Properties	11,077,304	13,956	(1,091)	(6,254)	(470,000)	10,613,915
Parsonages	804,704	442,079	(652,937)	105,403	(121,838)	577,411
Canon Ross Legacy	884,128	21,893	(27,849)	106,959	-	985,131
Ordinands' Support	725,067	263,573	(278,836)	98,385	(29,611)	778,578
Watts Legacy	1,025,964	30,042	(30,042)	146,769	-	1,172,733
Morley Fund	890,320	25,784	(1,220)	125,324	(24,564)	1,015,644
St Peter's Churchyard Loan Fund	442,413	2,960	-	17,288	-	462,661
Church Growth	372,225	-	(106,208)	-	-	266,017
Total designated funds	<u>16,222,125</u>	<u>800,287</u>	<u>(1,098,183)</u>	<u>593,874</u>	<u>(646,013)</u>	<u>15,872,090</u>

Corporate Properties - represents property transferred at no cost and gains less losses on the sale of corporate houses. The fund is designated for use to finance corporate property.

Parsonages - amounts transferred from unrestricted funds set aside for purposes of the Parsonages Committee.

Canon Ross Legacy - earmarked for expenditure on specific structural projects to support parish initiatives

Ordinands' Support - transfers from unrestricted funds made available for ordination candidates' support grants.

Watts Legacy - available for general purposes and designated for general income support.

Morley Fund - proceeds from the sale of Morley Retreat House set aside with a proportion of annual income to be made available for the Spirituality Group.

St Peter's Churchyard Loan Fund - sales proceeds designated for use to provide interest free loans of up to £10,000 to Parochial Church Councils.

Church Growth - amount set aside for seed-corn funding of strategic church growth projects.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

29. Restricted income funds

	As at 1 January 2021	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2021
	£	£	£	£	£	£
Diocesan Pastoral Account	3,709,374	60,426	(164,516)	178,456	2,000,180	5,783,920
Local Mission Fund	22,445	5,000	-	-	-	27,445
Capital Resources	571,821	24,092	(24,092)	77,682	-	649,503
Milligan Pension Fund	729,480	18,495	(6,605)	90,045	-	831,415
Bishop Allen Legacy	472,823	13,706	(13,706)	66,716	-	539,539
Stafford Legacy (Church Trust Fund)	462,802	71,975	(73,234)	59,814	-	521,357
Poorer Clergy Fund	364,601	10,676	(10,676)	52,156	-	416,757
Benham Legacy	245,373	7,076	(7,076)	34,443	-	279,816
Faith in Action	102,759	2,568	-	12,545	-	117,872
Board of Readers	8,156	2	-	-	-	8,158
Clemson Legacy	-	49,864	(49,864)	-	-	-
Stipends Trusts	-	9,923	(9,923)	-	-	-
Restructure Funding	-	63,523	(63,523)	-	-	-
Convent of St Laurence	409,740	11,998	-	58,622	-	480,360
Total restricted income funds	7,099,374	349,324	(423,215)	630,479	2,000,180	9,656,142

Diocesan Pastoral Account - represents the proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983. Parsonage house improvements are funded from the sale proceeds of redundant parsonage houses through the Diocesan Pastoral Account.

Local Mission Fund - Parish Mission Funding made available by the Archbishops' Council for "the additional provision for the cure of souls in parishes where such assistance is most required, in such a manner as shall be conducive to the efficiency of the Established Church" set aside for mission development.

Capital Resources - proceeds of sale from two former parsonage houses available for property expenditure.

Milligan Pension Fund - for clergy pensions and retired clergy.

Bishop Allen Legacy - for clergy welfare, ordination training, new halls and church repair.

Stafford Legacy (Church Trust Fund) - available for such charitable purposes as the Board in its absolute discretion shall decide.

Poorer Clergy Fund - available for stipend support.

Benham Legacy - available for clergy pension contribution support.

Faith in Action - historic balance of funds specifically available for 'social responsibility' purposes.

Board of Readers - historic balance of funds available for Readers and Reader Training.

Clemson Legacy - funds are for 'the maintenance of services' and are used to support the costs of stipendiary clergy.

Stipends Trusts - funds are made up of a number of historic trusts, the income of which is used to augment clergy stipends.

Restructure Funding - funds received from Church Commissioners to fund Parish Support strategic resilience programmes

Convent of St Laurence - residual sale proceeds to be used for promotion of the spiritual life of the diocese, care of the elderly and other mission-orientated projects

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

30. Endowment funds

	As at 1 January 2021	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2021
	£	£	£	£	£	£
<u>Expendable endowment</u>						
Benefice Houses	20,538,978	1,126,180	-	-	(1,530,180)	20,134,978
<u>Permanent endowment funds</u>						
Stipends Fund Capital (Glebe funds)	41,492,808	322,575	27,000	4,584,052	231,000	46,657,435
Stafford Legacy (Church Trust Fund)	2,317,043	-	-	329,672	-	2,646,715
Clemson Legacy Fund	1,702,899	-	-	243,607	-	1,946,506
Parsonages	453,836	-	-	64,923	-	518,759
Stipends Trusts	338,876	-	-	48,478	-	387,354
Partington Legacy	122,743	-	-	17,486	-	140,229
	66,967,183	1,448,755	27,000	5,288,218	(1,299,180)	72,431,976

Benefice Houses - represents the value of parsonage houses at the balance sheet date. These houses are used to provide accommodation for ministers. The Board is not free to dispose of the houses except in accordance with appropriate measures.

Stipends Fund Capital (Glebe funds) - represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The fund generates income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.

Stafford Legacy (Church Trust Fund) - capital to be held as permanent endowment with income at the discretion of the Board.

Clemson Legacy fund - funds are for 'the maintenance of services' and income is used to support the costs of stipendiary clergy.

Parsonages - represents permanent endowment of the Parsonages Committee with income used to finance the repair and maintenance of parsonage houses.

Stipends Trusts - historic permanent endowment trusts with income for stipends.

Partington Legacy - funds are for 'general religious purposes' and annual income is mandated directly to unrestricted funds.

Comparative Fund Notes for the prior year are shown in Note 34.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

31. Funds held as custodian trustee on behalf of others

The Board holds investments on behalf of Parochial Church Councils (PCCs) and others as custodian trustee. Each year an annual statement of financial investments held by the Board in its capacity as custodian trustee is made available to PCCs. The market value of investments held on behalf of PCCs and others is £3.1million (2020 - market value £2.8million), and all such investments are held separately from those of the Board. Historic cost figures are not available.

Financial investments held by the Board, in its capacity as custodian trustee, are broken down as follows:

	2021	2020
	£	£
CCLA Investment Management Ltd		
<u>Central Board of Finance of the Church of England Funds:</u>		
Investment fund income shares	2,777,134	1,904,741
Investment fund accumulation shares	-	588,572
Fixed Interest Securities Fund income shares	81,123	86,729
Deposit Fund	75,031	82,375
<u>COIF Charities Funds:</u>		
Investment fund income shares	120,121	105,198
Investment fund accumulation shares	55,062	46,360
Other common investment fund holdings	1,358	1,454
	<u>3,109,829</u>	<u>2,815,429</u>

32. Related party transactions & controlling parties

Diocesan governance is by Diocesan Synod, elected from both clergy and laity under the leadership of the Diocesan Bishop, who is appointed by the Church of England nationally.

The Board pays an annual grant to the Derby Diocesan Board of Education for salary and operating costs (see Note 12). The Rt Revd L Lane, The Rt Rev M McNaughton, The Venerable Archdeacon of Chesterfield, Canon C Holmes-Elener and Canon J Cooper, were directors of both companies during the year.

Canon M Titterton, Executive Chairman and director of the Board, is also a member of Derby Cathedral Chapter (see Note 12 for payment of grant to Derby Cathedral Chapter).

The Board paid the following amounts to related parties in year:

Derby Cathedral £18,530 (2020 - £18,275) - in recognition of the place of the cathedral at the heart of the diocese

Derby Diocesan Board of Education £327,898 (2020 - £327,368) - to support the Diocese through the mission of the Board of Education

The Board was owed the following amounts from related parties as at 31 December 2021:

Derby Cathedral £nil (2020 - £nil)

Derby Diocesan Board of Education £8,030 (2020 - £3,882)

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE ACCOUNTS
For the year ended 31 December 2021

33. Prior year comparative Statement of Financial Activities for 2020

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
Income and endowments from:				
Donations				
Common Fund	4,161,907	-	-	4,161,907
Archbishops' Council	1,632,889	187,388	-	1,820,277
Other donations	317,912	-	-	317,912
Charitable activities	373,975	409,740	-	783,715
Other activities	344,002	-	-	344,002
Investment income	1,453,370	264,901	-	1,718,271
Other incoming resources	61,778	-	710,937	772,715
Total income and endowments	8,345,833	862,029	710,937	9,918,799
Expenditure on:				
Raising funds	100,020	-	-	100,020
Charitable activities	8,361,214	482,182	-	8,843,396
Clergy Pension Scheme Movement	-	-	24,000	24,000
Other resources expended	-	-	-	-
Total expenditure	8,461,234	482,182	24,000	8,967,416
Net income/(expenditure) before investment gains and losses	(115,401)	379,847	686,937	951,383
Net gains on investments	538,610	92,647	2,636,855	3,268,112
Net income for the year	423,209	472,494	3,323,792	4,219,495
Transfers between funds	165,672	27,548	(193,220)	-
Other recognised gains/(losses)				
Net gains/(losses) on revaluation of fixed assets	-	-	-	-
Net movement in funds	588,881	500,042	3,130,572	4,219,495
Reconciliation of funds				
Total funds as at 1 January 2020	20,526,626	6,599,332	63,836,611	90,962,569
Total funds at 31 December 2020	21,115,507	7,099,374	66,967,183	95,182,064

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

NOTES TO THE ACCOUNTS

For the year ended 31 December 2021

34. Prior year analysis of transfers between funds for 2020

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Transfer to/(from):				
Benefice House transfer to Corporate Property	-	-	-	-
Corporate Property transfer to Benefice Housing	-	-	-	-
Diocesan Pastoral Account to purchase corporate houses (x2)	550,672	(550,672)	-	-
Benefice house sale proceeds (x1) to Diocesan Pastoral Account	-	578,220	(578,220)	-
Corporate Property sale proceeds to Diocesan Pastoral Account	-	-	-	-
Clergy pension scheme costs transferred to Stipends Fund Capital	(385,000)	-	385,000	-
	165,672	27,548	(193,220)	-

35. Prior year comparative funds notes for 2020

Summary of fund movements 2020

	As at 1 January 2020 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	As at 31 December 2020 £
Unrestricted income funds						
General Fund	4,878,142	6,535,382	(6,419,671)	257,948	(358,419)	4,893,382
Glebe funds (net of agent fees)	-	1,116,250	(1,116,250)	-	-	-
<u>Designated funds</u>						
Corporate Properties fund	10,526,632	-	-	-	550,672	11,077,304
Parsonages	787,117	401,483	(441,443)	57,547	-	804,704
Other designated funds	4,334,735	292,718	(483,870)	223,115	(26,581)	4,340,117
Pension reserve	-	-	-	-	-	-
	20,526,626	8,345,833	(8,461,234)	538,610	165,672	21,115,507
Restricted income funds						
Diocesan Pastoral Account	3,763,958	61,129	(103,609)	(39,652)	27,548	3,709,374
Local Mission Fund	23,445	-	(1,000)	-	-	22,445
Other restricted income funds	2,811,929	800,900	(377,573)	132,299	-	3,367,555
	6,599,332	862,029	(482,182)	92,647	27,548	7,099,374
Endowment funds						
Expendable endowment						
Benefice Houses	20,678,978	438,220	-	-	(578,220)	20,538,978
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	38,538,954	272,717	(24,000)	2,320,137	385,000	41,492,808
Other permanent endowment funds	4,618,679	-	-	316,718	-	4,935,397
	63,836,611	710,937	(24,000)	2,636,855	(193,220)	66,967,183
Total funds	90,962,569	9,918,799	(8,967,416)	3,268,112	-	95,182,064

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

35. Prior year comparative funds notes for 2020 (continued)

Comparative summary of assets per fund at 31 December 2020

	Fixed assets		Current assets	Creditors	Net assets
	tangible	investments			
	£	£	£	£	£
Unrestricted income funds					
General Fund	15,909	4,971,614	335,465	(429,606)	4,893,382
Designated funds					
Corporate Properties fund	11,081,198	-	271,044	(274,938)	11,077,304
Parsonages	-	736,801	175,181	(107,278)	804,704
Other designated funds	-	3,458,295	914,162	(32,340)	4,340,117
	11,097,107	9,166,710	1,695,852	(844,162)	21,115,507
Restricted income funds					
Diocesan Pastoral Account	-	1,250,405	2,458,969	-	3,709,374
Local Mission Fund	-	-	22,445	-	22,445
Other restricted income funds	-	3,160,834	206,721	-	3,367,555
	-	4,411,239	2,688,135	-	7,099,374
Endowment funds					
Expendable endowment funds					
Benefice Houses	20,194,978	-	344,000	-	20,538,978
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	40,528,400	1,278,408	(484,000)	41,492,808
Other permanent endowment funds	-	4,922,374	13,023	-	4,935,397
	20,364,978	45,450,774	1,635,431	(484,000)	66,967,183
Total funds	31,462,085	59,028,723	6,019,418	(1,328,162)	95,182,064

Designated funds (2020)

	As at 1 January 2020	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2020
	£	£	£	£	£	£
Corporate Properties	10,526,632	-	-	-	550,672	11,077,304
Parsonages	787,117	401,483	(441,443)	57,547	-	804,704
Canon Ross Legacy	919,626	21,302	(105,000)	48,200	-	884,128
Ordinands' Support	720,087	212,285	(252,064)	44,759	-	725,067
Watts Legacy	959,951	29,165	(29,165)	66,013	-	1,025,964
Morley Fund	833,954	25,333	1,248	56,366	(26,581)	890,320
St Peter's Churchyard Loan Fund	430,003	4,633	-	7,777	-	442,413
Church Growth	471,114	-	(98,889)	-	-	372,225
Total designated funds	15,648,484	694,201	(925,313)	280,662	524,091	16,222,125

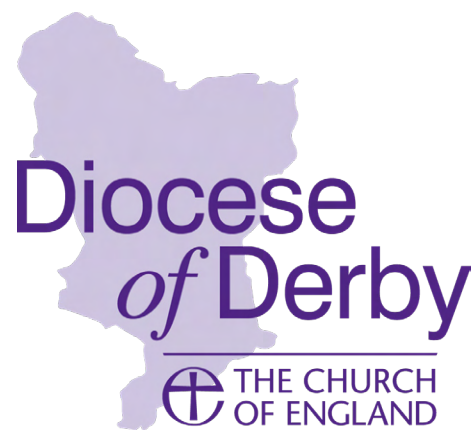
DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

35. Prior year comparative funds notes for 2020 (continued)
Restricted income funds (2020)

	As at 1 January 2020	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2020
	£	£	£	£	£	£
Diocesan Pastoral Account	3,763,958	61,129	(103,609)	(39,652)	27,548	3,709,374
Local Mission Fund	23,445	-	(1,000)	-	-	22,445
Capital Resources	581,527	22,809	(22,809)	(9,706)	-	571,821
Milligan Pension Fund	677,893	18,087	(7,000)	40,500	-	729,480
Bishop Allen Legacy	442,815	13,410	(13,410)	30,008	-	472,823
Stafford Legacy (Church Trust Fund)	435,899	71,633	(71,633)	26,903	-	462,802
Poorer Clergy Fund	341,141	10,364	(10,364)	23,460	-	364,601
Benham Legacy	229,881	6,926	(6,926)	15,492	-	245,373
Faith in Action	94,624	2,493	-	5,642	-	102,759
Board of Readers	8,149	7	-	-	-	8,156
Clemson Legacy	-	48,409	(48,409)	-	-	-
Stipends Trusts	-	9,633	(9,633)	-	-	-
Restructure Funding	-	187,389	(187,389)	-	-	-
Convent of St Laurence	-	409,740	-	-	-	409,740
Total restricted income funds	6,599,332	862,029	(482,182)	92,647	27,548	7,099,374

Endowment funds (2020)

	As at 1 January 2020	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2020
	£	£	£	£	£	£
<u>Expendable endowment</u>						
Benefice Houses	20,678,978	438,220	-	-	(578,220)	20,538,978
<u>Permanent endowment funds</u>						
Stipends Fund Capital (Glebe funds)	38,538,954	272,717	(24,000)	2,320,137	385,000	41,492,808
Stafford Legacy (Church Trust Fund)	2,168,764	-	-	148,279	-	2,317,043
Clemson Legacy Fund	1,593,330	-	-	109,569	-	1,702,899
Parsonages	424,636	-	-	29,200	-	453,836
Stipends Trusts	317,072	-	-	21,804	-	338,876
Partington Legacy	114,877	-	-	7,866	-	122,743
	63,836,611	710,937	(24,000)	2,636,855	(193,220)	66,967,183



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