



DIOCESE OF SALISBURY

The Salisbury Diocesan Board of Finance

# Trustees' Report and Consolidated Financial Statements for the Year ended 31 December 2021

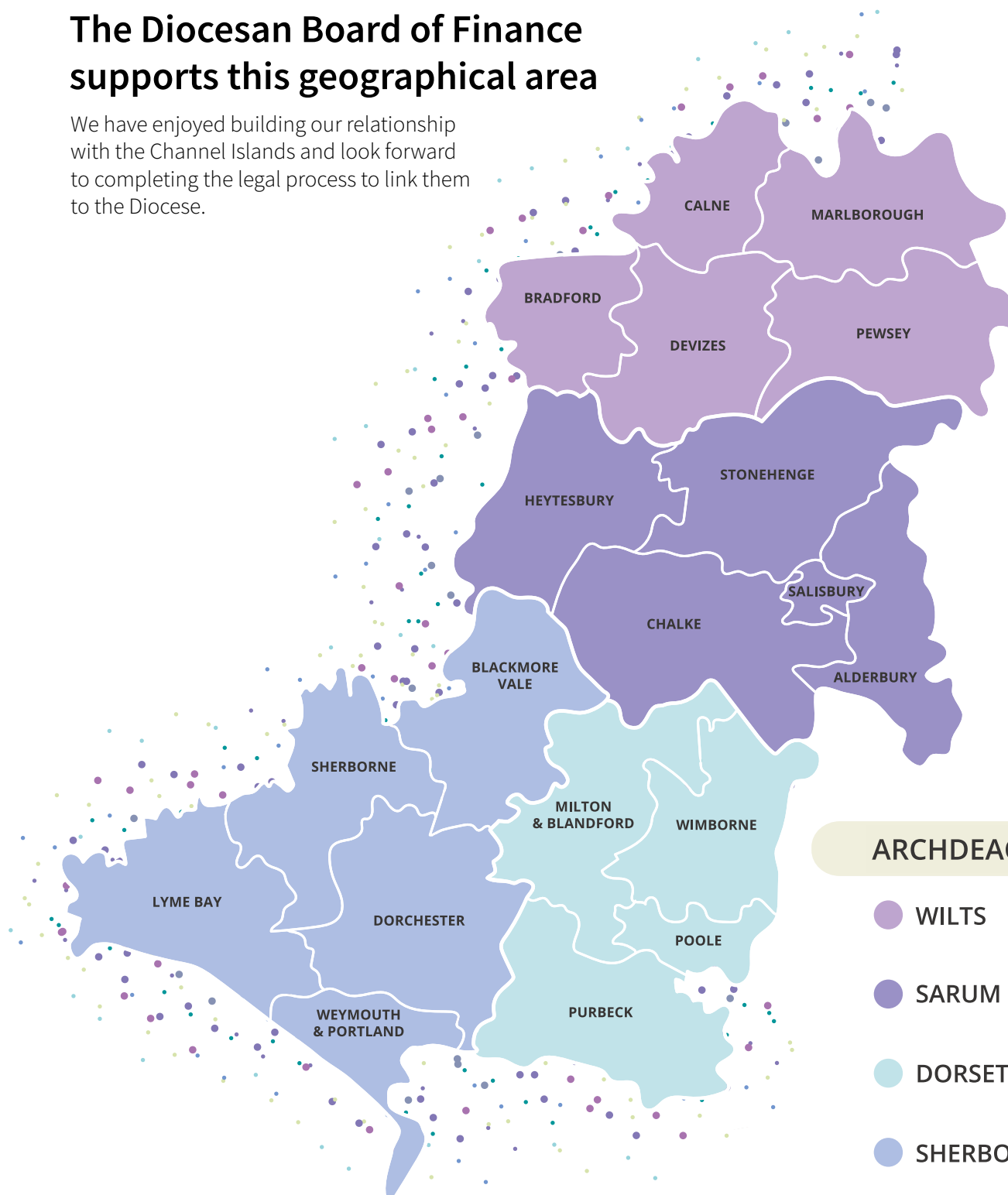


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# The Diocesan Board of Finance supports this geographical area

We have enjoyed building our relationship with the Channel Islands and look forward to completing the legal process to link them to the Diocese.



## ARCHDEACONRIES

WILTS

SARUM

DORSET

SHERBORNE

138

Benefices



432

Parishes



573

Churches





*The Rt Revd Karen Gorham*

*'He who calls you is faithful;  
he will surely do it''*

*1 Thessalonians 5:24*

## Foreword

We look back on 2021 with a great deal of thankfulness for God's faithfulness. It was another challenging year, as the pandemic continued to impact on the worshipping activities of our churches. The restrictions meant that in-person attendance has been much lower than in previous years, as were the numbers of baptisms and marriages. Churches have adjusted to offer 'at home' services - online, by phone, post, and email. It has been a joy to sing again, and we continue to discern what a 'new normal' looks like for ongoing work, worship, and witness. The dedication of all our clergy, chaplains, lay leaders, church school leaders and church officers has been immense and I give thanks for all the continued commitment to being local Christian communities.

In July we said goodbye to Bishop Nicholas and Helen, giving thanks for their ministry over the last ten years: a ministry which has brought prominence to an environmental agenda in the wider church, a commitment as sponsoring bishop to the encouragement of our ordinands and curates and to the renewal of hope as the Diocese has continued to pray, serve, and grow.

2021 challenged us financially as a Diocese and I give thanks too for the dedication of Diocesan staff and our committee members in difficult times. The Generous Giving campaign was embraced by many parishes and has provided us with an off the shelf resource on Christian giving. The campaign's legacy has been increased payments of Share at the end of the year, and the appointment of a Giving Advisor to give support to parishes going forward. My hope is that by the end of 2022 many will have embraced new technology with the installation of contactless machines.

The Rural Hope project, the commitment to the work of community hubs and the development of a lay Pioneer Course all continue to encourage our local mission and ministry. A new vocations vision and team, with the addition of a soon to be appointed Lay Ministry Development Officer, makes sure that we provide resources for training as a response to what God calls individuals into. Numbers of confirmation candidates remain steady which is another indication of the work of God's Holy Spirit across the Diocese.



*We celebrated Bishop Nicholas, the 78th Bishop of Salisbury, at his last Evensong in July 2021:*

*'A man of the people and a champion of "the lost, the last and the least", a Bishop that our Diocese has come to know and love'*

The second half of the year was given to considering the needs of the Diocese in relation to a new bishop. The Vacancy in See committee, ably led by the Dean, oversaw this work, and our Crown Nomination Commission representatives worked hard reflecting the Diocese in the appointment process. We are now looking forward to the arrival of The Rt Revd Stephen Lake and seeing what God wants from us for the next stage of our Diocesan journey.

In the meantime, partnerships with Sarum College, the Cathedral, and the Diocesan Board of Education continue to flourish. We now share Licensed Lay Minister training, and HR resources with our neighbouring Diocese of Bath and Wells.

It has been a joy to serve you. There is so much to give thanks to God for as the church on the ground works with Christ, in being the salt and light in our world. This report gives us just a glimpse of it.

May God bless you all.

+ *Karen Sheborne*

The Rt Revd Karen Gorham  
Bishop of Sherborne and Acting Bishop of Salisbury



# Our purpose and aspirations

## Our Purpose

The purpose of the Diocesan Board of Finance (DBF) is to promote and assist the work and purposes of the Church of England in the Diocese of Salisbury. This is achieved principally through the provision and support of ministry across the 432 parishes of the Diocese. The executive also provides advice, training and resources to clergy, laity and parishes all to support the life of the Church and the advancement of Christ's Kingdom.

## Public Benefit

The Diocesan Board of Finance (DBF) takes account of the Charity Commission general guidance on public benefit when reviewing its purpose and in considering how planned activities meet that aim.

Throughout this report we endeavour to explain how our purpose, objectives and activities benefit the public. As the Church of England, we aim for our mission, ministry and worship to be open to all. Our goal is a thriving Christian presence serving God in every part of the Diocese.

Our authorised ministers provide spiritual welfare to all individuals within the community. In addition to regular weekday/ Sunday services that are open to all, a wide range of events, workshops and courses are available for those seeking to explore their relationship with God.

Through social action, we aim to respond to the needs of local communities and the wider world. The Diocese makes grants at a local and national level to have a positive wider influence.

## Our aspirations

Christ is our hope, and the sure foundation of his Church. Because of this we may face the future with confidence, however turbulent the times. Over the last two years, the Covid pandemic has altered and tested our life together in all kinds of ways. Yet it has also returned us to the deep roots and extraordinary resilience of the local church, which remains the core of our mission in the Diocese of Salisbury.

As a Diocese we are committed to an evolving parish ministry – and the local, visible, and often pioneering presence of its priests, people, and buildings. We recognise that we are at a transitional point in our life and, while we await the direction to be set by our new Diocesan Bishop, we adopted a Mission & Pastoral Plan as a working guide for our interim planning. This stemmed from our existing Diocesan vision of Renewing Hope: Pray, Serve, Grow and its refinement (from 2019) into three priorities:

- Discipleship & evangelism
- Dynamic collaboration
- Community transformation

Our Mission & Pastoral Plan set some goals around these priorities, which have helped to frame not only our financial planning and the work of Diocesan staff (especially those in the Mission, Ministry & Communications Department), but crucially also the deanery plans that are being developed concurrently.

Its aspirations may be summarised as follows:

### **Clearer paths to Mission & Ministry**

- We will pursue a significant increase in vocations to all forms of Christian service, including licensed and commissioned ministries, and will make realistic projections for the number of stipendiary clergy, while growing a new cohort of Associate Priests and Licensed Lay Ministers.
- In growing collaboration with the Diocesan Board of Education, local schools, and civic partnerships, we will respond to emerging missionary challenges by resourcing programmes for discipleship, social justice, and community transformation, which include:
  - Recommendations for reaching Net Zero by 2030.
  - Increasing the number of community hubs (local centres for linking church, community, and school).
  - The expansion of the Aldhelm Fund as a resource pool for mission and ministry initiatives.

### **Better Care for those who serve**

- We hope to lighten the burden on local churches in various ways:
  - Providing for the changing welfare needs of clergy and volunteers, applying the recommendations of the new Clergy Covenant.
  - Resourcing church office holders and volunteers through enhanced Parish Support functions, with more locally accessible training for those considering a range of responsibilities in church and community, revised DAC processes, property provision and better-connected administration.

### **Stronger roots for local churches**

- Recognising the pressure on parish and Diocesan finances, a Generous Giving campaign in 2021 will be followed by a review of the Parish Share in 2022. We shall encourage greater deanery collaboration in meeting the financial challenge and seek to cultivate a deep level of trust and mutual co-operation between the Diocesan Board of Finance and the local church.
- A strategic approach to supporting church buildings is needed, especially for 'fragile' churches – those that are struggling to sustain their current fabric, programme, or congregation. A new 'church buildings' working group will prepare a toolkit of resources to help our parishes consider how best to plan for the future of their built heritage.

Diocesan governance – through synods, councils, and committees – can be complex, but it is vital that this connects with mission and pastoral planning at the local level, in order that our strategy may be shaped by the insights of God's renewing work in each place.





David Pain

## Message from our Diocesan Secretary

Throughout 2021, the DBF has served and resourced the Diocese at a time of changing patterns of mission and ministry, much of which has been shaped by the Covid pandemic.

We seek to serve in a way that enables all to flourish in their contribution, and in close partnership with other parts of the Diocese and beyond, from the Diocesan Board of Education (DBE) and Cathedral to Sudan and South Sudan, and the Diocese of Bath and Wells with whom we share some roles.

As we reflect on a challenging year, we are grateful for all God's generosity, the leadership of Bishop Nicholas and Bishop Karen, and the excitement of anticipating Bishop Stephen's arrival later this year.

Throughout the year we have sought to improve our financial communications, transparency and accountability. We ran a Generous Giving campaign in a very challenging environment, with extensive training for clergy in speaking and preaching on giving as part of discipleship – and give thanks for the generosity of parishes who supported Share at 90% of the request.

We deployed 87% of our budget to support the direct costs of clergy and the indirect costs to parish ministry. We increased our focus on lay ministry and took steps to ensure we were gaining maximum benefit from the National Church investment in the Rural Hope programme.

We invested in new IT systems to improve our service and efficiency. There has been further restructuring of roles to ensure that the DBF can best support the changing needs of the local church. Thanks to our partnership with the DBE and funding from the All Churches Trust, we launched an exciting expansion of the Community Hub Programme.

All this as we moved to the practicalities of delivering the Net Zero commitment made by the Church of England last year, with our property team working hard to find sustainable ways to reach the target locally.

Thank you to our outgoing DBF Chair, Nigel Salisbury. Nigel has led the important process of moving into a sustainable future by encouraging an exploration of all areas of expenditure and potential income. At the same time, he has helped us all to focus on the importance of relationships and trust across the Diocese with open and transparent engagement and communications. He will be greatly missed.

As you read the following pages, we hope you will join with us in giving thanks to God for all this year has been.

David Pain  
Diocesan Secretary



# What did we do?

## The DBF served and resourced the Diocese at a time of changing patterns of mission and ministry, much of which has been reshaped by the pandemic

At the front line of the DBF's ministry supporting local churches are our area offices in Ramsbury and Sherborne

The Ramsbury team (Archdeacons Sue and Alan, with Bishop Andrew) spent 2021 close to the local church as it emerged from lockdown in the northern half of our Diocese. Pastoral oversight of our clergy is at the heart of our work, with much of the year spent recruiting, supporting, and meeting with church leaders, many of whom have had a testing two years.

With the re-opening of church buildings for worship and community outreach, the Diocesan Mission and Ministry Committee began to consider new resources for the usage, upkeep, and support of church buildings, which we hope to see becoming available in 2022.

Praying and worshipping – even singing! - with our parishes in person have been a great joy this last year, and we are more grateful than ever for our parishes generosity and resilience.



The work of mission and ministry in Dorset overseen by the Sherborne Team (Archdeacons Antony and Penny with Bishop Karen) has been marked by challenge and change. The Mission Oversight Group continues to be inspired by the development of pioneer ministry, fresh expressions, and a mixed ecology of church. New patterns and models of ministry have been developed to enable collaboration and partnership, alongside the pragmatic realism of costs and context. The deaneries have contributed the reduction of the equivalent of five posts towards Diocesan savings, as well as the sale of some houses. More collaborative change is planned, taking into consideration housing growth and continued development of flexible lay ministry with the number of Lay Worship Leaders and Licensed Lay Ministers increasing.

The support, encouragement and appointment of clergy has been vital, through Ministry Development Review, safer recruitment, and the development of good pastoral relationships. The number of good applicants for posts continues to be a strength as some long serving clergy retire. The many years of service that individuals give and the large number of retired clergy with PTO offering their services are a real gift to the local church. The offices at Ash Farm, Stourpaine, are a real asset and will continue to develop as a hub for Diocesan work in Dorset.



## Safeguarding

During the year the Diocesan Board of Education and Board of Finance have worked hard to provide a safe and caring environment for everyone. Protecting the vulnerable is at the heart of the Christian faith. Our continued commitment to raising awareness and embed safeguarding in everything we do is further evidenced by over 800 people attending safeguarding courses run by our safeguarding team, with a further 1,150 completing their Basic and Foundation safeguarding courses. With the support of our Parish Safeguarding Officers, the team initiated or renewed the DBS checks of over 700 people.

November saw the start of a new venture which will see the Diocese strengthening its already close working relationships with Splitz, Wiltshire's domestic abuse charity. Nina Tanner (pictured) an Independent Sexual Violence Advisor, has been commissioned for a day a week to work alongside survivors and victims who have experienced church-related abuse within our Diocese.



Bishop Nicholas giving a blessing

## Pastoral Reorganisation

The four Archidiaconal Mission and Pastoral Committees (on behalf of the Bishop's Council) deal with pastoral matters in their area including noting all clergy vacancies and appointments, parish re-organisation, suspensions of presentation, boundary changes, deanery and presence mapping, clergy deployment and strategic planning through their deanery plans.

The committees met on-line via Zoom throughout 2021 and focussed on addressing issues for mission and ministry raised by the pandemic, on the Diocesan budget and clergy deployment. Each archidiaconal committee was asked to reimagine ministry that balances the needs of the local communities within the budget set by Diocesan Synod. Pastoral consultations re-commenced but with longer periods allowed for consultation and a more rigorous discussion phase to ensure parishes were well informed. Covid restricted us to completing three pastoral schemes in 2021 and early 2022, but generated a much greater interest in exploring opportunities for uniting parishes. Recognising the challenge to retaining parish officers (like PCC Secretaries, Treasurers and Churchwardens) we are recruiting a Learning and Development Officer to help us improve the training and support we offer people in these roles.

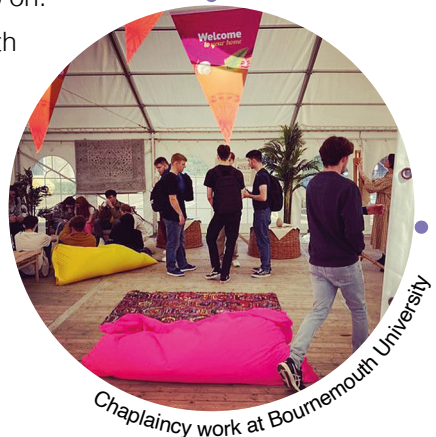
## Chaplaincy

The work of chaplaincy continues to grow and flourish within the Diocese. Spanning lay, ordained, full-time, part-time, voluntary and paid, chaplains are coming alongside a wide spectrum of people within an ever increasing variety of contexts. In hospitals, care homes, the emergency services, the deaf and hard of hearing community, the military, schools, universities, the farming and agricultural community, town centres and shops, charities, businesses, the list could go on.

The Chaplaincy Day held in February 2021 further enhanced this picture with over 90 chaplains in virtual attendance.

The Hub for Part-Time, Volunteer and Lay chaplains has continued to gain momentum, with demand for increasing the frequency of gatherings throughout the year. The place of chaplaincy within Community Hubs is also providing some exciting and fruitful opportunities at the intersection of church, school and community.

Chaplaincy featuring in the November 2021 Diocesan Synod was also extremely positive, encouraging and well-received.



Chaplaincy work at Bournemouth University

## Pioneering

We continued our creative expressions of ministry across the Diocese through our pioneering work, with Poole Missional Communities (PMC) partnering with the Diocese to provide specific support and training to our four pioneer curates.

A partnership between PMC, Diocese of Salisbury, Church Mission Society (CMS), Diocese of Bath & Wells and Diocese of Truro has begun to deliver the CMS certificate, a year-long training course for lay pioneers. This course will be the pathway toward Commissioned Lay Pioneer ministry in the Diocese with the first cohort of nine people being from the Diocese.

The Dorset Pioneer Network had its first meeting at the end of 2020 and has grown and become established in the past year. It is an ecumenical partnership between PMC and Southern Counties Baptist Association supported by the Diocese of Salisbury and Churches Together in Dorset. We now have a mailing list of 40 pioneers across Dorset who come together roughly three times a year to learn together and support one another. The aim is to extend this by forming another hub in Wiltshire in the future.





Celebrating Plough Sunday

## Rural Hope

We are gradually seeing the integration of the Rural Hope project into the life of the Diocese, as we come to the end of the specific Strategic Development Fund money. Thanks to the continuing support of the four Rural Field Officers, we saw 16 Rural Hope-supported new worshipping communities emerge when lockdown lifted, with 175 people celebrating their faith together.

In July, nine Initial Ministerial Education (IME6) curates participated in short rural placements that gave them an opportunity to experience the joys and challenges of rural ministry. A highlight of the placement is the Rural Experience Day which in 2021 enabled curates to spend the morning with the Beaminster team (who minister to a multi-parish benefice of 15 churches) and the afternoon with the Pilsdon Community which provides a rural haven for those living fragile lives.

Twelve new students joined the Rural Training Pathway at Sarum College in September, making a total of 46 students for lay and ordained ministry who have participated or are currently participating in the course. Student feedback continues to be highly positive. This course remains unique in the UK in offering training specifically for rural ministry.

## Vocations

Our increased support for those exploring their vocations to either lay or ordained ministry reflects our desire to enable everyone to respond to God's call on their lives. The Ministry Formation Team, under the leadership of Rev Nigel Done, has developed a team of around 20 vocation mentors (VMs) and seven vocation advisors (VAs).

VAs work with people actively seeking to explore their calling within the Diocesan discernment process, whilst VMs offer a space for initial enquirers to have early conversations outside the formal process, signpost to resources, and encourage, nurture and promote vocational conversations within the local context.

In 2021, nine candidates attended the LLM discernment day, with a further 11 exploring their call to ordained ministry. Other vocations explored during the year included lay pastoral assistants and lay worship leaders.



LLM Admission Service 18th September 2021

## Climate 2021

The COP26 meeting in Glasgow was an opportunity for young and old across our Diocese to express their concern for the environment, one of the many legacies from Bishop Nicholas' leadership. David Pain, Diocesan Secretary, is on the National Church working group on Net Zero, and we continue to proactively seek practical ways to implement Net Zero within the Diocese. There is a lot of work to do, locally and nationally, but the Diocese of Salisbury has been proactive and disinvested in fossil fuels.

The DBF property team has already updated clergy houses and properties it owns, with double-glazing, roof insulation and cavity insulation where appropriate, and as church buildings open up again the Diocesan Mission and Ministry Committee is considering their usage, upkeep and support.



Hilary Bond at COP26

# The DBF is committed to work in partnership with groups within and beyond the Diocese. Here is a summary of highlights from our partnership working throughout 2021

## Journeying with Sudan and South Sudan

The DBF supports the Sudan Committee by administering all their finances and payment of grants, in order to promote the Sudan link.

The Salisbury-Sudans partnership is 50 years old. It is a challenging journey, with conflict and famine in both countries, and alas, because of Covid, significant reductions in what we could offer financially. Much of our income comes from collections at episcopal events – when our three bishops would officiate.

We continue to prioritise theological education, and healthcare. We have sustained important work in both Sudans, supporting development initiatives and church schools and we are grateful for our longstanding, fruitful partnership with Christian Aid.

The church has a crucial role in finding solutions to ethnic violence particularly in the decade after Sudan and South Sudan separated. We enjoy good relationships with the two Primates and after only being able to meet virtually, when intermittent internet connections allowed, we are looking forward to the Lambeth Conference in Canterbury, when we hope to meet the 70 bishops from Sudan and South Sudan.



## The Cathedral

Whilst Covid prevented us gathering frequently as a whole Diocese, our close partnership with the Cathedral continues through the Bishop's Staff and the College of Canons. The Diocese appreciates the way the Cathedral hold us in prayer regularly and offers hospitality and welcome for special occasions, particularly regular confirmation services.

The DBF supported and resourced the Vacancy in See process, working with the committee elected by Diocesan Synod and those elected to the Crown Nominations Commission. We were delighted to welcome Dean Stephen Lake, and to finish the announcement day of his appointment as our Bishop with Evensong shared together.

Celebrating the last day of the 2021 Education conference





## The Diocesan Board of Education (DBE)

The close partnership between the DBF and its sister organisation, the DBE, has continued throughout the year, and the DBF made a grant to support their work with children and young people. The DBE has worked to support school and parish leaders in their complex roles in many ways, and the strong partnership is especially seen through the five market town community hubs as we listen to the voice of children and young people about what matters to them.

Pictured here we see young people at St Mary's Church of England school, Bridport, walking together, experiencing nature and having the chance to talk about big issues. They follow a route card with reflective activities and questions and take this home to encourage them to have a go with their families – opening opportunity for reflection.

The DBE is taking a lead role in the innovative national Rural Teaching Partnership project which has brought ten gifted teachers to our Diocese, committed to working in rural schools where it is often hard to recruit; each are skilled teachers vitally wanting to begin their careers in church schools, at the centre of village and parish life.

The DBE also gained government funding to support Aided schools in their journey towards Net Zero by 2030 – for example the installation of a school's ground source heat pump at St Gregory's Church of England Primary School, Marnhull.



## Sarum College

The partnership between the DBF and Sarum College continued to deepen during 2021. Sarum College partners with the DBF in delivering the initial training of both Licensed Lay Ministry and ordinands training for ordained ministry.

As part of the Rural Hope Funded Programme, Sarum College delivers a Rural Ministry Pathway, offering a foundation of ministry training to prepare and equip leaders, lay and ordained for mission and ministry within a rural context. Throughout the course of the year Sarum College supported the delivery of Continuing Ministerial Education.





Vicarage at St Paul's Sherborne

## Finance and property - within the DBF, we also resource the local church

### Clergy Property Team

Our clergy property team worked hard to increase efficiency and maximise the market conditions this year, selling five surplus houses at a profit of £487k, and maintaining 219 clergy houses – with total repair costs of £1.07m. They increased the efficiency of ongoing works to rental properties, and transferred the rental of houses to one agency, improving service and increasing rental income.

We continued our proactive programme of identifying glebe plots of land with development potential and sold three plots at a good profit during the year.

We also approved the adoption of total return at the end of the year to give more options in using endowed funds for allowable purposes.

### Financial Communications

We improved the transparency of financial communication with the issue of Share and Budget Guides and launched a monthly Financial Times that goes to all parish treasurers.

We also introduced Data Developments as a system for treasurers to use - currently funded by the DBF – which so far over 110 parishes have joined.



### A Guide to Fairer Share

THE CHURCH OF ENGLAND  
DIOCESE OF SALISBURY

Our printable resource guide to Fairer Share September 2021



## GENEROSITY WEEK

Our CofE Diocesan Generous Giving Campaign

### Fundraising

Our new Generous Giving campaign culminated in a series of events in September 2021 seeking to equip the local church to talk about giving with the aim of increasing income.

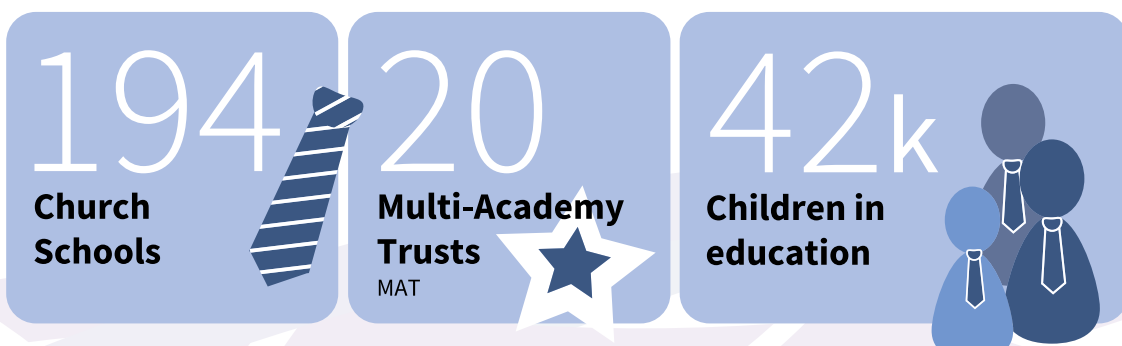
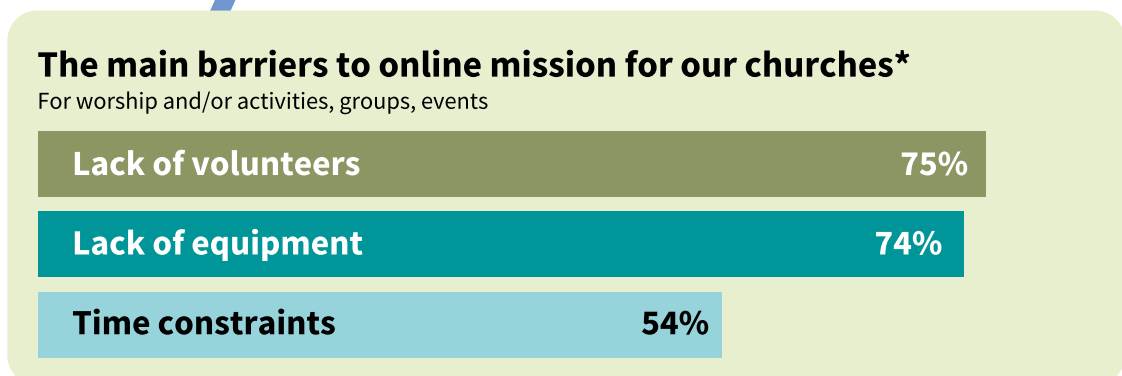
We were delighted to announce the appointment of Anna Hardy as Giving Adviser in December 2021. This post is funded by the National Church. Anna has made an excellent start helping parishes set up mechanisms to increase giving and looking at what else can be done to increase parish income.







# The year in numbers






**1**

**New Bishop**  
Starting 2022



**330**

**Recommissioned Lay Worship Leaders**  
LWL



**4**

**Platforms we used to move our worship online\***  
and continue to use



Platform	Count
Facebook Live	1
YouTube pre-recorded	1
Live Stream	1
Zoom	1

**158**

**Faculty applications reviewed**  
by our Church Buildings team  
70% of which progressed



**1000**

**Participants supported through 120 safeguarding and continuing ministerial development courses**



**175**

**New people engaged in regular worship**  
Rural Hope  
July 2021



**16**

**New worshipping communities**  
Supported by Rural Hope, Thrive Programme  
- mission enabling and fresh expressions, helping rural churches grow

Building Blocks Church launched Sept 2021



**1**

**Diocesan Instagram Account turned 1 in June, celebrating the work of schools, spirituality and worship**  
June 2021 Follow: @sdbeworship



**including...**

- Building Blocks Church • Wild Church
- Muddy Church • Forest Church
- Farm Church • Messy Church • Gin Church
- Breakfast Church • Home Groups
- Toddler Groups • Evening Church
- Church Without Walls • and more...

\*Results from survey sent to Church leaders across our Diocesan during December 2021, total 59 respondents

# Looking forward

## A confident church emerging from Covid

We have celebrated the curious, the pioneering, and the creative approaches to ministry in the previous pages and are grateful for the hard work and inspiration of all our people. We are sustained by the ongoing day in day out prayer, worship and service that goes on across the Diocese. As we look forward, we are excited about the potential for God, through the work of the Holy Spirit, to enable us to be a confident church coming out of the Covid pandemic.

*'With the appointment of Stephen Lake as our Bishop, we are encouraged that the Diocese will be moving into a new era with a fresh vision and strategy, responding to the opportunities of a fast-changing context. The DBF will both support the development of this Diocesan wide vision and strategy and ensure that resources enable us to create a sustainable future in partnership with others.'*

*David Pain, Diocesan Secretary*



## Welcoming our new Bishop



We have been through a Vacancy in See process and are looking forward to working with our new Bishop, The Rt Revd Stephen Lake. When his arrival was announced he commented on the characteristics we were looking for in a new Bishop, and his invitation is for us all to be Caring, Courageous, Holy, Transforming, Unifying, Visionary and Visible.

*'It is such a privilege and a joy to be called back to the Diocese of Salisbury as Bishop. To be able to serve in the places that formed me will be something rare and special...I hope to lead a confident Diocese as we move out of the pandemic together'*

The Rt Revd Stephen Lake





*Nigel Salisbury*

## Message from our Chair

As I write this introduction in early 2022 the horrific events unfolding in Ukraine provide a shocking perspective to the challenges we have faced in the Diocese during 2021.

Nonetheless, the ongoing pandemic has continued to impact our parishes, communities and individuals throughout the year, and that has had an inevitable knock-on effect upon the DBF.

In the circumstances I am pleased to be commenting on a result which, despite another significant deficit, is better than we had foreseen in the budget, and may contribute to a sense of renewed hope that we can collectively work our way through the financial challenges we face.

The out-turn, an operating deficit of £1,459k, is a fraction less than 2020 thanks to the strong support we have continued to receive from parishes through their payment of Share. At £9,697k Share received was £93k higher than in 2020 and represented 90% of the Share requested.

This falls significantly behind the 97% or so we were used to receiving prior to the pandemic, but the stable situation between 2020 and 2021 is encouraging and we are intensely grateful to all those in our parishes contributing to Share payment.

As illustrated later in this report, Share represented 73% of our diocesan income in 2021 and funds the bulk, but not all, of the cost of parish ministry. The balance of income is met from sources including investments, grants, fees and property income, but continues to fall short of expenditure.

At the same time this expenditure continues to be closely managed, but since the bulk of this relates to clergy stipends, pensions, housing and support costs we have been reluctant to make potentially damaging cuts to clergy numbers without exploring all other options first.



It is in order to help close this gap between income and expenditure that we have therefore had to take the difficult decision to ask for an increase in Share of 5% in 2022, with a view to reducing the deficit below £1m in 2022 and towards eliminating it entirely by 2025.

This will also be facilitated by the long awaited reduction in contribution to the Church of England Funded Pension Scheme as that deficit is also eliminated, together with diligent management of our assets and ongoing cost control.

However, with inflation likely to erode much, if not all, of the benefit of this uplift, it seems likely that further increases will be required in future if the current levels of clergy deployment and support services are to be maintained.

Last year we reported on the £2.5m Covid loan we had taken out as a precaution against poor cashflow during the pandemic. Fortunately, our cash position has remained strong, assisted by the sale of surplus assets, and we are now able to consider an early payback of at least part of that loan.

It might appear strange that in a year in which we are reporting such a substantial operating deficit our balance sheet should have strengthened by £2,773k to £128,439k but this is as a result primarily of the bounce-back in investment values across our portfolios assisted by profits on the sale of assets.

Unfortunately much of this investment growth has been reversed in early 2022 illustrating the continued volatility of investment markets, and that we can't depend upon the sort of year on year growth that may have been seen in the past.

The strength of our balance sheet therefore could contribute to a misleading impression of the strength of our finances overall, when they continue to be eroded by a long standing deficit caused by outgoings exceeding our income. This has been exacerbated over the last two years by the impact of Covid on Share payment.

Striking the right balance between clergy deployment (paid and unpaid) in the long term, and the financial means available to us, is critical and is the task of the Mission and Ministry Committee who achieve this through the Mission and Pastoral Plan around which the financial budget is developed.

So far we have thankfully avoided substantial cuts to clergy and continue to enjoy amongst the highest clergy to population ratios in the country, as well as one of the highest levels of church attendance.

These two facts are clearly connected and we remain committed to achieving a balanced budget without continuous and detrimental cuts to the provision of clergy or to the services offered. Whilst this is challenging we believe it is achievable with the continuing support of our parishes through Share.

For some while it has been recognised that the current Fairer Share system does not always operate as fairly and transparently as we would like. Whilst no system can be completely fair, we have committed to undertake a review, and this is underway through a process of consultation with parishes.

Some immediate improvements are being introduced for implementation as part of the budget for 2023, with any more radical changes to be introduced for the years 2024 onwards. We hope in this way to maintain the support of parishes for a system that is understandable, transparent and fair.

We continue to diligently manage our assets and have been pleased with the initial results following the transfer of part of our investment portfolio to Sarasin during the last year. This has also enabled us to divest ourselves of fossil fuel investments, whilst improving investment performance.

The previous appointment of Strutt and Parker to advise us on glebe and our property assets generally, has also born fruit with a number of beneficial sales during the year. They are currently advising us in respect of Church House which is not felt to be suitable as a diocesan office in the longer term.

A further and important piece of work undertaken during the year is a review of all the various funds which together make up the assets of the DBF.

With guidance from our auditors Haysmacintyre, Director of Finance and Asset Management Liz Ashmead has worked tirelessly back through years of transactions to revisit the provenance of all our assets and ensure they are correctly allocated between funds.

This has had the immediate benefit of an improvement in the position of our unrestricted general fund, and paves the way for our planned move towards a total return approach, with the increased flexibility that will bring, particularly in the use of any future proceeds from glebe.

So looking beyond the immediate financial outcome, 2021 has been a year of progress on many fronts for DBF, as reflected in the pages of this report.

Under the expert leadership of David Pain and his team, a steady programme of modernisation and innovation continues, covering all aspects of our operations, staffing, structures and service provision to parishes and clergy.

I am extremely grateful to David and all the DBF staff for all that they have done, at times in very difficult and trying circumstances, to maintain “business as usual” whilst moving the change and project agenda successfully forward.

And after another year of significant challenge I also offer grateful thanks on behalf of the DBF to all our clergy, volunteers, and all those who support mission in this Diocese for their continued commitment and service through these difficult times.

In 2021 we said farewell to Bishop Nicholas with thanks for his devoted service to the Diocese over 10 years. During the last 6 months of the year and into 2022 we have been extremely fortunate to be led with wisdom and skill by Bishop Karen and are very grateful to her for her ministry and leadership during this period of transition.

As we stand now on the threshold of a new era with our next bishop, The Rt Revd Stephen Lake, I in turn prepare to hand over chair of the DBF in hopeful confidence for the future, without underestimating the many challenges that remain.

This I do offering prayers and thanks to God, as Bishop Nicholas would often say, for God’s small miracle which is the Diocese of Salisbury.



Nigel Salisbury,  
Chair of the Diocesan Board of Finance

## Summary of statement of financial activities (SoFA) for year ended 31 December 2021

Overall movement in funds	2021	2020
	£,000	£,000
Operating deficit	(1,459)	(1,513)
Net gains/(losses) on investments/property/glebe	3,902	300
Increase in value linked loan creditor	(42)	-
Reduction in pension deficit liability	372	483
<b>Increase/(decrease) in funds</b>	<b>2,773</b>	<b>(730)</b>

Breakdown of operating deficit	2021	2020	Variance
	£,000	£,000	£,000
<b>Total income</b>	<b>13,303</b>	<b>13,011</b>	<b>292</b>
<b>Total expenditure</b>	<b>(14,762)</b>	<b>(14,524)</b>	<b>(238)</b>
<b>Operating deficit</b>	<b>(1,459)</b>	<b>(1,513)</b>	<b>54</b>

Breakdown of income	2021	2020	Variance
	£,000	£,000	£,000
Donations:			
Parish Share	9,697	9,604	93
Archbishops' Council & Church Commissioners	682	691	(9)
Other donations	611	430	181
Charitable activities	682	683	(1)
Other activities	740	684	56
Investments	891	919	(28)
<b>Total income</b>	<b>13,303</b>	<b>13,011</b>	<b>292</b>

## Where does the money come from?

The biggest source of income ([Note 2](#)) is the contributions from the parishes. Interestingly the receipt pattern over the past 5 years shows that receipts are considerably lower than receipts 2017–2019.

	2017	2018	2019	2020	2021
<b>Parish Share receipts</b>	9,895	9,916	10,273	9,604	9,697

This of course reflects the effects of Covid on parish incomes but shows why the deficit has increased in the last two years and why it was felt necessary to increase share for 2022. The fact that this is by far the biggest source of income also emphasises the fragility of Diocesan finances; the need to pursue other forms of income and to control costs and to reach parity of income and expenditure. Considering the increase in inflation over this period this source of income is in decline.

**Receipts from the National Church ([Note 3](#))** encompass funding for Rural Hope; for ordinands under the Resourcing Ministerial Education scheme; for Curates and for Bishops' Secretaries.

**Other donations** comprise gifts to fund our work in the Sudans; parochial contributions towards specific stipends; grants from the All Churches Trust – for all of these we offer sincere thanks.

**Charitable activities** comprise parochial fees and management fees.

**Other activities** are rental incomes from letting clergy houses in vacancies (substantial increase on 2020) and the turnover of the property trading company SDBF BC Ltd.

**Investment income** is from investments with funds managers and rental income from glebe properties.

The details of income are in [Notes 2-7](#) of the financial statements.



# What is the income spent on?

<b>Breakdown of Expenditure</b>	<b>2021</b>	<b>2020</b>	<b>Variance</b>
<b>Direct Ministry</b>			
<b>Charitable activities (Note 9)</b>	£,000	£,000	£,000
Stipends, National Insurance, and A Levy	5,256	5,284	(28)
Parochial salaries	201	187	14
Clergy pensions	1,780	1,800	(20)
Clergy expenses	150	189	(39)
Maintenance of clergy property	2,104	1,844	260
<b>Fund raising costs (Note 8)</b>			
Expenses of letting properties	71	48	23
	<b>9,562</b>	<b>9,352</b>	<b>210</b>

## Ministerial support and support to parishes

<b>Charitable activities (Note 9)</b>			
Ministry support team	597	629	(32)
Communications	109	99	10
Social justice, discipleship and mission outreach	97	60	37
Ordinands' college costs	269	271	(2)
National Church - training for Ministry Vote 1 and pooling	522	518	4
Parish support; governance, pastoral, patronage & admin	303	265	38
Rural Hope	199	191	8
Church Buildings	183	186	(3)
Safeguarding	176	178	(2)
Registrar & Chancery and other professional fees	182	199	(17)
Area offices	132	157	(25)
Milton Abbey	54	29	25
Supporting parish trusts	21	20	1
<b>Fund raising costs (Note 8)</b>			
Glebe agents' fees and fund raising	83	113	(30)
	<b>2,927</b>	<b>2,915</b>	<b>12</b>

## Work with children and young people

	<b>336</b>	<b>330</b>	<b>6</b>
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## Central costs and IT

Central costs	603	583	20
Human Resources	87	79	8
Investment in IT	217	144	73
Governance	24	32	(8)
	<b>931</b>	<b>838</b>	<b>93</b>

## Other non parish-costs

National Church - central costs	542	559	(17)
Overseas missions (Sudans)	181	241	(60)
Share discount and provision	35	80	(45)
Interest payable	15	1	14
	<b>773</b>	<b>881</b>	<b>(108)</b>

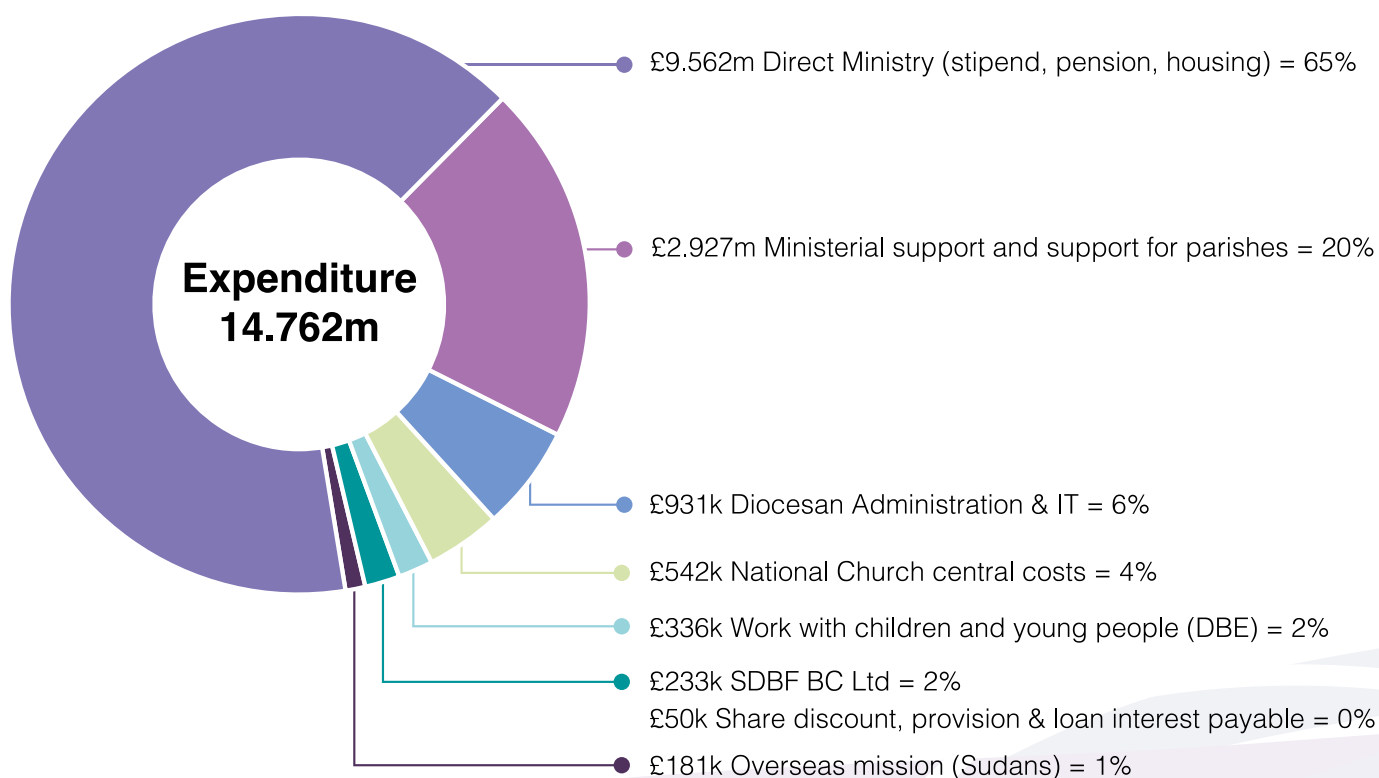
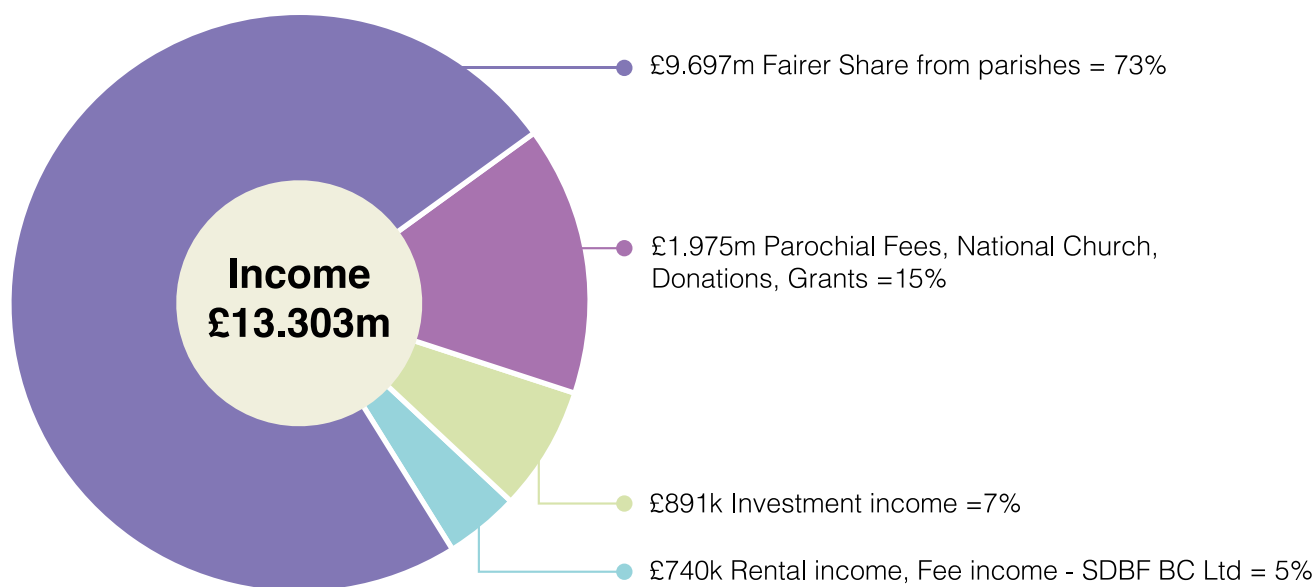
## SDBF BC Ltd

	<b>233</b>	<b>208</b>	<b>25</b>
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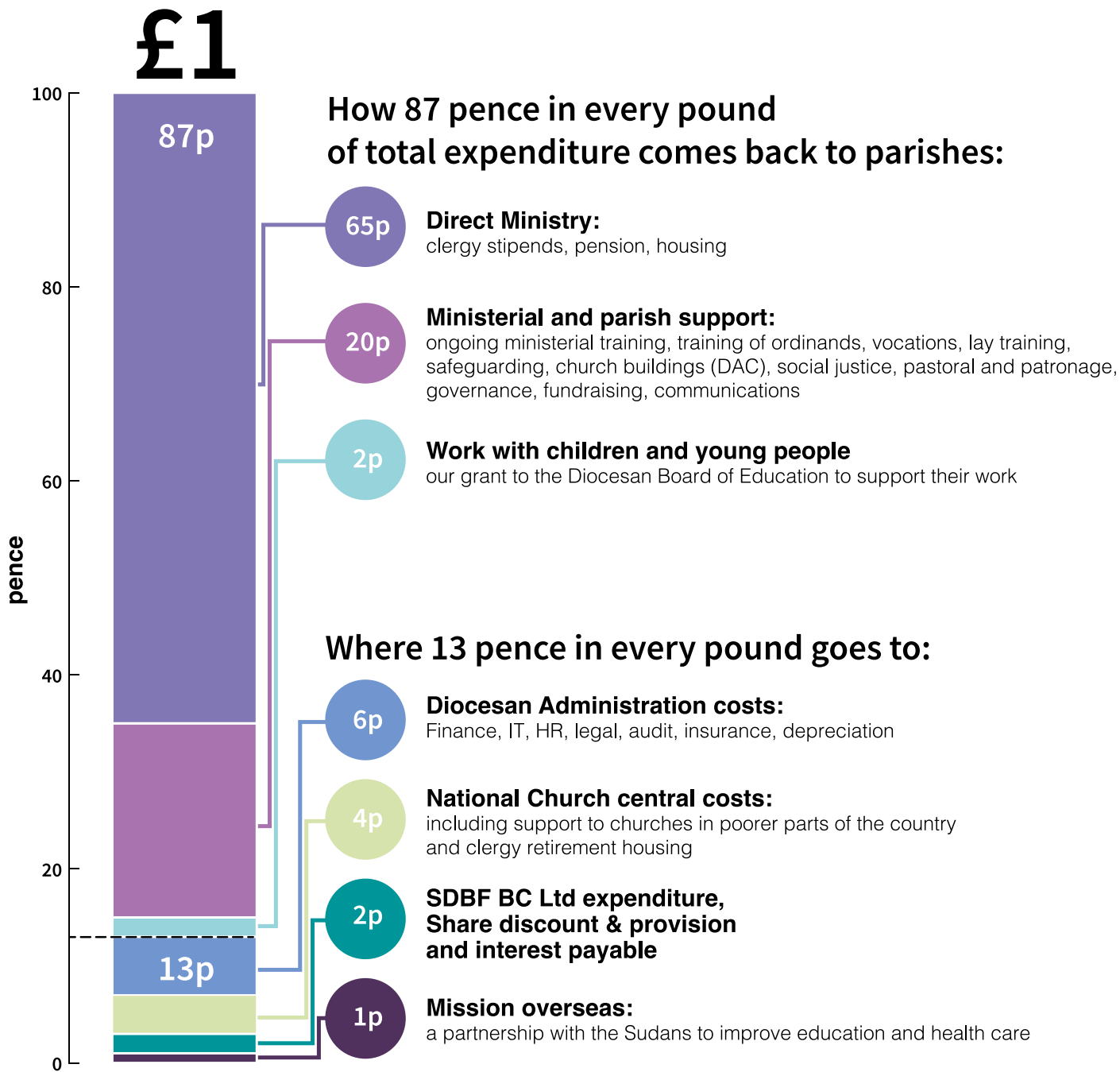
<b>Total expenditure</b>	<b>14,762</b>	<b>14,524</b>	<b>238</b>
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# Income and expenditure year ended 31 December 2021

## Operating deficit -£1.459m



# How the expenditure comes back to parishes

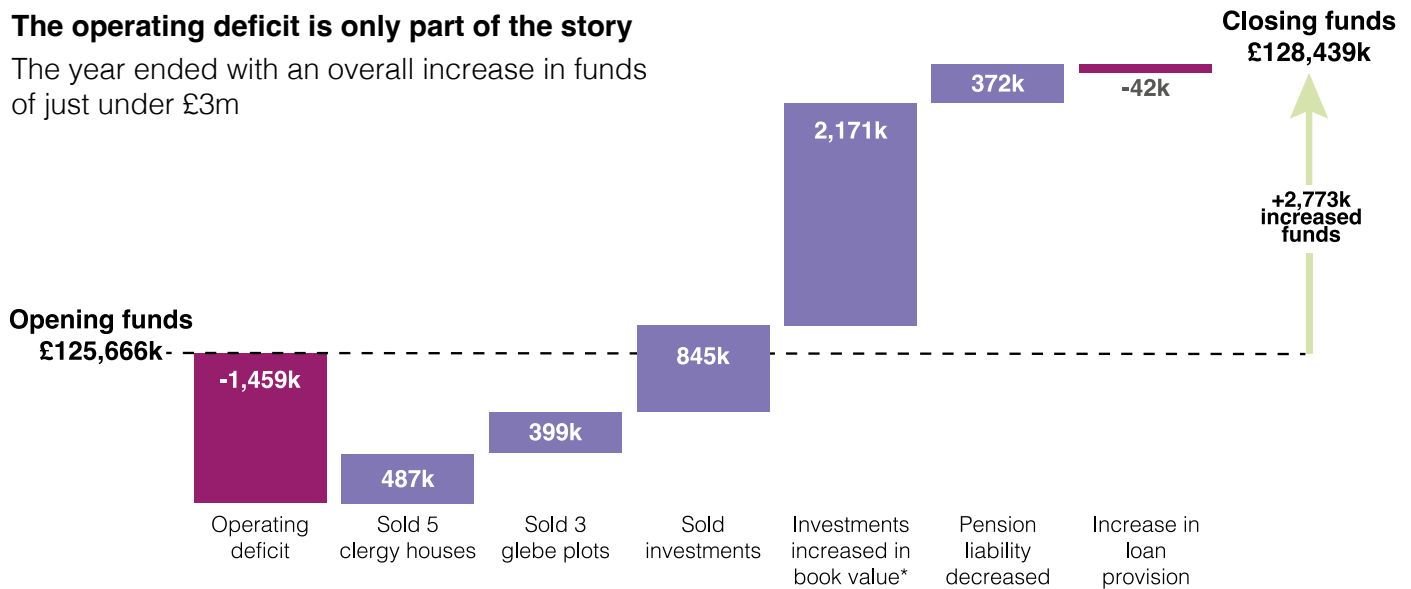




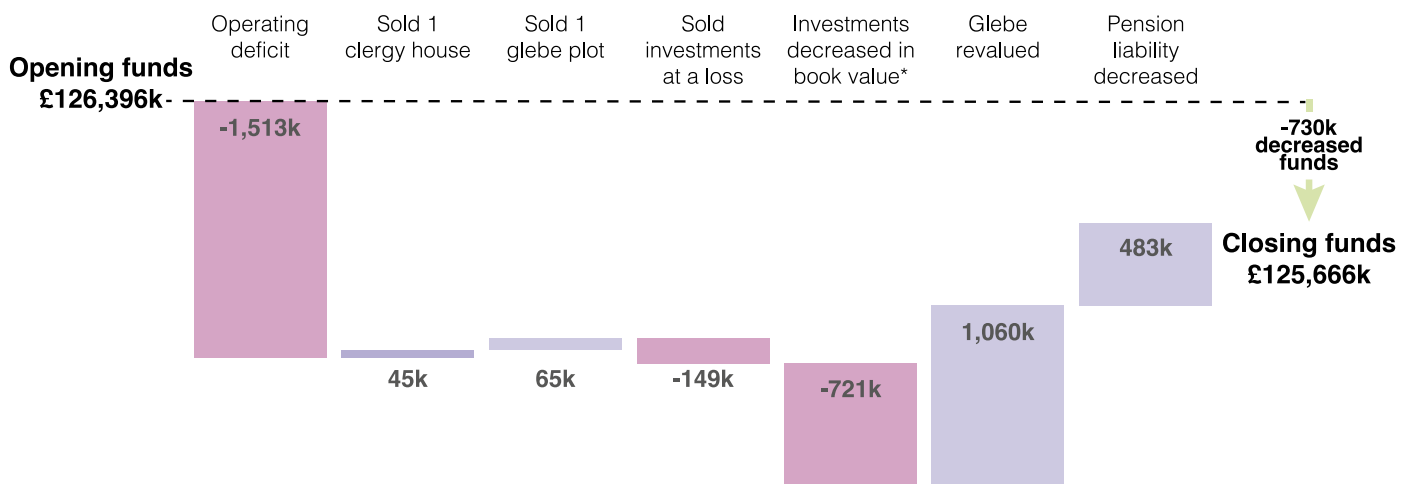
# Overall movement in funds for 2021

## The operating deficit is only part of the story

The year ended with an overall increase in funds of just under £3m



## Prior year movements 2020



\*movement cannot be relied on

The increase in funds for the year can mask the fact that we are **operating at a substantial deficit** and indeed a substantial part of that increase is in the value of investments at the year-end – some of which has already been lost in 2022.

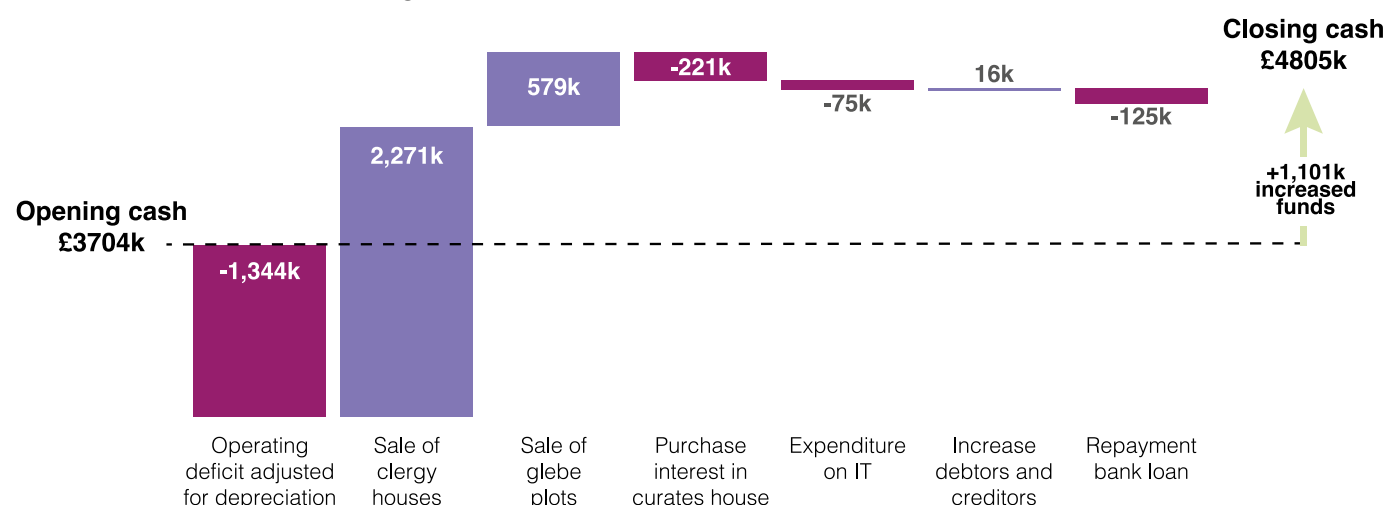
During 2021 we have had to transfer £1.5m from the Pastoral & Development Fund to the General Fund to bolster cash reserves. This is an allowable use of funds, but given that the Pastoral & Development Fund is only valued at £5m at the end of 2021, this sort of transfer is not sustainable in the long run. This once again points to the need to **eliminate the operating deficit** by the end of 2025, and we are in the process of planning the 2023 budget and the three year plan 2023-2025 to achieve this.

Welcome news from the Clergy Pensions Board drops the clergy pension contribution from 39.9% of national minimum stipends to 36% in April 2022 and to 28% in January 2023 which will certainly help to balance the books.

Our costs are largely fixed unless we drop some of the services we offer to parishes, and our dependency on parish's ability and indeed willingness to pay share highlights the fragility of our financial situation.

## Cash movement

Cash resource was deliberately increased in 2021 to ensure that there was enough cash to be able to meet bank loan repayments and to be a sufficient buffer in case Share receipts did not meet the budget.



## Investment performance

The DBF has the power to invest surplus funds in appropriate investments and to this end, principally makes use of the investment funds managed by CCLA and Sarasins. The DBF held investments in M&G at the beginning of the year. These were sold in the year due to poor performance in 2020 and the monies were reinvested in Sarasins Active Climate Endowment fund. This was chosen after an external review of our investments by an independent consultant and for its more environmentally friendly portfolio. The performance of these investments is shown below. M&G lost £1.2m of its value in 2020 but recovered £845k in 2021. The total proceeds of sale were re-invested. Of the £2.17m increase in value in 2021 £900k has been lost in the three months to March 2022, showing that continual increase in investments with fund managers cannot be relied on.

Investment return in the year	Capital appreciation	Investment income	Capital appreciation	Investment income
	£,000	£,000	%	%
CCLA Investment Fund	1,485	300	14.38	2.9
CCLA Property Fund	326	114	14.26	5.0
<b>Total CCLA</b>	<b>1,811</b>	<b>414</b>		
<b>Bought and sold in year</b>	£,000	£,000		
Sarasins Active Climate Endowment Fund (Purchased September 2021)	360	22		
M&G Charifund (Sold September 2021)	845	224		

## Custodian trusteeship

The trustees are custodian trustees for trust financial assets with a market value of approximately £34m on 31 December 2021 (2020 £30m). These assets are held for parishes in the Diocese and other charities whose area of benefit is the Diocese of Salisbury. Certificates detailing all holdings and balances as at 31 December 2021 have been sent to parishes. The trustees are also custodian trustee for all parish real property. As custodian the trustees are responsible for the safe custody of all trust assets but does not control them. Trust assets are held separately from the assets of the DBF.

## Reserves policies

The trustees have reserve policies for three of its Funds:

### **Pastoral & Development Fund (DPA)**

As this fund is often used principally to buy houses, the trustees' policy is to have a reserve expressed in terms of the cost of six clergy houses. Based on recent experience an average cost of £425k gives a reserve requirement of £2.55m. The reserve is defined as the fund's net assets excluding the amounts held as tangible fixed assets, loans granted to parishes and commitments given for loans. The fund has investments of £3.8m and cash of £1.2m at 31 December 2021 so reserves are fully adequate.

### **General Fund**

The trustees' policy is to have a reserve equating to three months of expenditure at any one time to maintain working capital requirements and to provide adequate safeguards in respect of unforeseen deficits. At 31st December 2021 the general fund free reserves include some readily realisable investments amounting to £2.7m and cash of £1.4m. This equates to over three months of expenditure and the trustees consider that this is in line with its policy and better than reported a year ago.

The trustees have procedures in place to monitor parish Share collection and any deviation from agreed budgets in the year. The net current assets of the general fund do not cover the Coronavirus bank loan, but repayment is over six years and therefore the trustees consider that there will be sufficient liquidity each year to achieve repayment and if not, there are contingency plans in place by use of total return.

### **Stipend Capital Fund**

Adoption of total return was agreed in December 2021 to give more options for release of funds towards appropriate expenditure. The fund has been split into capital funds and unapplied total return. The policy governing drawdown of funds from unapplied total return has not yet been agreed by the trustees. No drawdowns have been made in 2021.

The full extent of the Covid pandemic is yet to be known, including its impact on operations over the forthcoming years. The trustees are confident that the Charity is managing its free reserves on a sustainable basis in line with the above policy. However, this will continue to be assessed once the full longer-term implications of the pandemic are known.



## Grant making policies

The trustees make a variety of grants to the clergy and parishes of the Diocese, the Archbishops' Council and the Episcopal Church of the Sudan, all in furtherance of its charitable objects.

## Where are we going?

### Going Concern

Despite the strong balance sheet, most of the funds are tied up in housing and subject to restrictions to their use. Continuing to run with an operating deficit is clearly unsustainable but the trustees are of the opinion that there is an achievable plan to return to breakeven by 2025 based on:

- Increasing Share income to above pre-pandemic levels by helping parishes to increase their income with the support of the new Giving Advisor.
- Developing a financially sustainable pattern of ministerial deployment with a balance of stipendiary and non-stipendiary ministry based upon the Mission and Pastoral plan.
- Looking at other options to cutting stipendiary posts.
- Continuing to exercise a tight control on costs.
- Using total return to create options.
- Releasing further surplus housing for sale or rental.
- Ongoing review of all assets to optimise returns and realise development and other opportunities.

## Total return

Adoption of Total Return in principle with regards to investments held in the endowment fund Stipend Capital Account was agreed by Bishop's Council in 2021.

Under the Diocesan Stipends Fund (Amendment) Measure S104b of Charities Act 2011 the Stipend Capital Fund may be split into capital funds and unapplied total return (UTR).

The DBF is permitted to allocate monies from the unapplied total return element, such sums as the DBF see appropriate for the benefit of stipends or stipend-related costs such as pension deficits or modifying parsonages for Net Zero provided that the DBF exercises its statutory duty to be even-handed as between present and future beneficiaries and that it maintains its unapplied total return at a level to ensure it remains positive after having due regard to the volatility of the investment markets.

The DBF's objective is also to maintain the value of capital funds in real terms. Any monies drawn down from the pot of UTR are derived from the sale of assets, so the pot is not a magic money tree. **Each sale of asset may lead to a potential loss of income, so decisions need to be carefully balanced.** There is an element of 'selling the family silver' in using UTR. The amount of UTR has been calculated as £19.1m representing capital gains 1995-2021 less increase in CPI during this period. This does not mean £19.1m is immediately available to spend.

The maximum that can be drawn down any one year is the total cost of stipends and related costs – this is £9.3m in 2021 so the cap is unlikely ever to be used. However, once this money is spent it is gone and therefore the trustees will exercise tight control of any expenditure from this source by means of tight policy control. It does however give options for reserving funds for worthwhile projects.

# Risk management

Salisbury Diocesan Board of Finance (DBF) is committed to maintaining a robust risk management framework, which complies with the Charity Commission's regulatory and good practice requirements.

During 2021, DBF refreshed its risk management processes, including the adoption and implementation of a Risk Management Policy to outline risk management process stages, take a view on risk appetite, document roles and responsibilities of all parties involved, and outline risk reporting procedures. Risk management is an organisation-wide function that is built into the culture of DBF. The approach is to involve all staff in risk management and foster a culture where risks can be identified and escalated.

Management and staff meet regularly to review, discuss and report on risk, using the DBF risk register. The risk register is split between principal and all other risks to ensure a comprehensive but focussed approach, concentrating efforts on identifying, managing and monitoring the most important risks. The DBF leadership team discuss the principal risks on a quarterly basis and discuss their reflections with the Audit and Risk Committee.

The DBF Directors review and satisfy themselves 6-monthly that risk management is embedded in the organisation and adequate systems are in place to monitor, manage and, where appropriate, mitigate exposure to key risks. The Audit and Risk Committee assists the DBF trustees to fulfil their responsibilities and monitors the effectiveness of the risk management framework and associated aspects on a quarterly basis. The committee provides a level of independent scrutiny and comprise of members with relevant knowledge and experience.

## The main risks identified are:

- 1. A lack of Diocesan vision, engagement, planning and agreed priorities**
- 2. A significant loss of parish Share and other forms of income**
- 3. Significant DBF employment issues**
- 4. Safeguarding**
- 5. Poor IT infrastructure, planning and implementation**

### **1. A lack of Diocesan vision, engagement, planning and agreed priorities:**

During the second half of 2021 as we awaited a new Diocesan bishop, the Diocese and DBF benefited from the well-respected leadership of the Acting Bishop of Salisbury and the Suffragan Bishop of Ramsbury with continued focus on the Diocesan priorities for growth which had been agreed by the Diocesan Synod in February 2020.

#### **Mitigating activities include:**

- Developing strategic thinking and linking this to detailed planning.
- Development of a mission and pastoral plan and using that as a framework for further discussion of changes to stipendiary clergy deployment in the context of mission and ministry as a whole.
- Aligning the mission and pastoral plan, priorities and associated funding with the five-year financial framework.
- Identifying further ministry resources expressed in lay leadership and continuing discussion around the future shape and expression of local mission and ministry.



## 2. Significant loss of parish Share and other forms of income:

### Mitigating activities include:

- Monthly financial monitoring and reporting of Share receipts. Increased communication and information on DBF finances through meetings, financial newsletters and on the Diocesan website, has raised awareness and understanding of the financial challenges and opportunities facing the DBF and the importance and impact of paying / not paying parish Share.
- A Diocesan-wide 'Generous Giving Campaign' 12 September to 3 October 2021, equipping every church to actively engage their congregation on the topic of giving and generosity and encourage those who can increase their giving.
- Sale and development of glebe.
- Preparation for the adoption of Total Return approach.
- Recruitment of a Giving Advisor (funded by the National Church) supporting parishes to develop / maintain long term financial sustainability.
- A full provision is made for Share arrears.
- The DBF is running at an unsustainable operating loss and actions are being taken in within the five-year financial framework supported by Diocesan Synod to eliminate the deficit.

## 3. Significant DBF employment issues: The organisation has gone through significant staff and working practice changes as a result of the pandemic, an organisation-wide restructure in 2020 and further function-specific restructures in 2021. DBF carried several vacancies during the year because of these changes as well as unsuccessful recruitment campaigns.

### Mitigating activities include:

- A consultative approach to role restructuring in according with the 'Organisational Change Policy'.
- Use of agency staff to assist with short-term capacity issues and to ensure the continued delivery of core services and activities.
- Launch of 'Employee hub' on the intranet, providing staff with access to wellbeing resources and guidance.
- Recruitment process review and improvement by external experts, including the launch of 'careers micro-website' to attract candidates.
- With the ease of lockdown rules, a renewed focus on in-person / virtual connection and engagement opportunities at all levels: all staff meetings, regular team meetings, monthly line Manager forum, weekly 'Virtual Coffee'.
- Continued investment in staff training and development, in particular IT skills, management training and a review and refresh of 'contribution conversation' framework.

#### 4. Safeguarding:

##### Mitigating activities include:

DBF has Safeguarding Officers in place and a Diocesan Safeguarding Advisory Panel. The officers and the panel review all processes and procedures, as well as coordinate training consistent with National Church guidance and procedure. The Diocese also participates in a National Church audit scheme as a founding member of the process. DBF is working in partnership with external services to support survivors and victims.

5. **Poor IT infrastructure, planning and implementation:** the pandemic helpfully precipitated the adoption of more digital ways of working but these represent wide ranging and fast change for a staff team without prior experience in most systems. The rollout of the Diocesan IT programme during 2020-21, has been the single biggest IT investment (£330k) and transformation experienced by the organisation to date; implementing more than 15 new systems and applications.

##### Mitigating activities to reduce the negative impact of change include:

- Rollout of Microsoft Office 365, SharePoint and other cloud-based IT systems to ensure business continuity and enabling the Diocese to serve churches and schools in their local environment and context.
- Effective IT programme governance, including dedicated programme resourcing – a programme coordinator and IT trainer.
- Investment in IT training for staff and the launch of the 'IT Learning Curve' a resource of user guidance and succinct training videos.
- Adoption of national systems enabling the Diocese to move forward as an active part of a developing and modernising Church of England. Join IT consortiums (e.g. DC2/Church Edit website) to benefit from shared and collective investment, knowledge and expertise, whilst reducing our systems/IT dependencies from small companies that pose a high risk around key person dependency.
- Recruitment of an IT Support Officer to maximise the benefits from the investment in IT, explore opportunities of system integration and partnering with other Dioceses and review and improve IT policies and procedures.

# Governance and Trustees

## Directors and Trustees during 2021

The members of Bishop's Council are the Executive Committee of the DBF and its directors and trustees.

The members of Salisbury Diocesan Synod are the members of the DBF.

### **The following are the directors and trustees who served during 2021 and up to the date of signing the report:**

The Rt Revd N Holtam	Ex officio, President of Synod, Bishop of Salisbury (resigned July 2021)
The Rt Revd K Gorham	Ex officio, Bishop of Sherborne and acting Bishop of Salisbury and President of Synod from July 2021
The Rt Revd S Lake	Bishop of Salisbury from April 2022
Mr N Salisbury	Ex officio, Chair
The Rt Rev Dr A Rumsey	Ex officio, Bishop of Ramsbury
The Very Rev N Papadopoulos	Ex officio, Dean of Salisbury Cathedral
The Ven A P Jeans	Ex officio, Archdeacon of Sarum
The Ven P Sayer	Ex officio, Archdeacon of Sherborne
The Ven S Groom	Ex officio, Archdeacon of Wilts
The Ven A C MacRow-Wood	Ex officio, Archdeacon of Dorset
	Ex officio, Chair Diocesan Board of Education
The Rev L Cook	Ex officio, Chair House of Clergy (resigned September 2021)
Canon A Perry	Ex officio, Chair House of Clergy (from September 2021)
Canon D Baldwin	Elected clerical member
Canon G Osborne	Elected clerical member (from September 2021)
Canon L Holt	Elected clerical member (from October 2021)
Mrs G Clarke	Elected lay member and Ex officio Chair House of Laity
Mrs D McIsaac	Elected lay member
Mrs R Cook	Elected lay member
Mr D Howshall	Elected lay member
Mrs J Jackson	Elected lay member
Mr R Chitty	Elected lay member
Mrs S Stevens	Elected lay member (from September 2021)
Lady S Gooch	Elected lay member (from September 2021)
Mr S Waite	Elected lay member (from September 2021)
Mrs E J McCormick	Co-opted lay member (from September 2021)
Canon J Curtis	Co-opted clerical member (from December 2021)
Mrs M Morrissey	Elected lay member (resigned September 2021)
Mrs E Oderstone	Elected lay member (resigned September 2021)

### **Principal Officers of the DBF:**

Mr N Salisbury	Chair of the DBF
Mr D Pain	Secretary and Treasurer
Ms E Ashmead	Director of Finance and Asset management

In approving this Trustees' Report, the trustees are also approving the purposes and aspirations identified on pages 6-7 — within their capacity as company directors.



## Trustees' Responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees (as Directors) to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the DBF and of the surplus or deficit of the DBF for that period. In preparing these financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Follow applicable accounting standards and the Charities SORP FRS102, subject to any material departures disclosed and explained in the financial statements.
- Assess whether the financial statements can be prepared on a going concern basis with adequate disclosure outlining their reasons for doing so.

The trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the DBF 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 DBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to the auditors**

So far as the trustees are aware: there is no relevant audit information of which the charitable company's auditors are unaware, and we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

A resolution to reappoint Haysmacintyre LLP will be proposed at the Annual General Meeting in June 2022.

## Reference and Administrative Details

Registered Office:	Church House Crane Street Salisbury SP1 2QB
Website:	<a href="http://www.salisbury.anglican.org">www.salisbury.anglican.org</a>
Company Registration Number:	17442 (in England and Wales)
Charity Registration Number:	240833
Auditors:	Haysmacintyre LLP 10 Queen St Place, London EC4R 1AG
Solicitors:	Wilsons LLP, Alexandra House, St Johns St, Salisbury SP1 2SB
Diocesan Registrar:	Batt Broadbent, Minster Chambers, 42/44 Castle Street, Salisbury SP1 3TX
Bankers:	Lloyds PLC, 38 Blue Boar Row, Salisbury SP1 1DB
Insurers:	Ecclesiastical Insurance Office plc, Beaufort House, Brunswick Road, Gloucester GL1 1JZ
Investment Managers:	CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London EC4V 4ET
M&G Investment Management Ltd	M&G House, Victoria Road, Chelmsford CM1 1FB
Sarasin & Partners	Juxon House, 100 St Paul's Churchyard London EC4M 8BU
Glebe Property & Land Agents:	Strutt & Parker, 41 Milford Street, Salisbury SP1 2BP

# Meetings of Principal Committees

## The Diocesan Synod

The Diocesan Synod is the statutory governing body of a Diocese. Its members are also the members of the Diocesan Board of Finance (DBF). It is elected with representation from all parts of the Diocese and roughly equal numbers of clergy and lay people, who meet together in Synod with the Bishops and other senior clergy.

The role of Diocesan Synod is to consider matters concerning the Church of England and make provision for such matters in relation to the Diocese; to act as a forum for discussion of Christian opinion on any matter (religious or public interest); to advise the Bishop on any matter on which he may consult it; to deal with matters referred by General Synod and to refer matters to the General Synod; and to make provision for the financing of the Diocese as the DBF.

Synod met four times in 2021 in February, June, September, and November. As well as fulfilling its function as the DBF, the main areas of business included:

## Bishop's Council

- The AGM of the DBF including adoption of the Report and Accounts, approval of the appointment of Haysmacintyre as the auditors for the DBF and agreement of the 2022 budget.
- Identifying Diocesan priorities and continuing discussions around the five-year financial framework aimed at eliminating the operational deficit and the Fairer Share scheme mechanism.
- Developing a Mission and Pastoral Plan to align with the financial framework and the Fairer Share scheme.
- Introduction to the Principles of Living in Love and Faith.
- Approval of revisions to the Functions, Constitution and Standing Orders for Salisbury Diocesan Synod to update in line with National legislation and to make provision for the Channel Islands joining the Diocese.
- Receiving annual reports from the DBE and the Cathedral.
- Discussing and approving the new DBE Scheme in response to the national DBE Measure 2021.
- Supporting and encouraging Diocesan efforts to achieve Net Zero by 2030.



The Bishop's Council is the Standing Committee of the Diocesan Synod, the Executive Committee of the DBF and the Diocesan Mission and Pastoral Committee. Its members are the trustees of the DBF. It met nine times in 2021 and the main areas of business included:

- Ongoing scrutiny of finance, mission, and pastoral matters.
- Continuing discussion around Diocesan priorities and the five-year financial framework to eliminate the operational deficit, a Pastoral Plan to align with the financial framework and the Fairer Share scheme mechanism.
- Continuing discussions around the repercussions of Coronavirus.
- Approving the Report and Accounts for year ending 31 December 2020 and budget 2022 for presentation to Synod; receiving the auditor's report.
- Receiving the From Lament to Action report; welcoming and endorsing the recommendations.
- Approving continuing work relating to the Channel Islands' move to become attached to the Diocese of Salisbury.
- Endorsing recommendations resulting from a "light touch" governance review.
- Considering matters brought by the Audit and Risk Committee.
- Considering a Property Strategy.
- The January two-day meeting was a partial joint meeting with the DBE to consider matters of shared interest including opportunities for developing Diocesan work within the National Vision and Strategy.
- Approved the adoption of Total Return in principle.

### **The Diocesan Board of Finance**

The DBF held its annual general meeting in September as part of the Diocesan Synod. The Finance Committee met eleven times in 2021. The trustees carried out regular analysis of income and expenditure, risks, reserves, loans and investments, trusts, property and staff. In addition, they:

- Approved Report and Accounts for year ending 31 December 2020 and received the auditor's report.
- Approved Budget 2022 and the revised Budget Guide.
- Discussed and agreed fairer Share matters arising.

## The Environment Group

This Group supports parishes, the Diocese, and individuals in developing environmental awareness and action across the Diocese. Activities in 2021 included:

- Encouraging wider adoption of the Eco Church scheme and reviewing new Eco Diocese criteria with a view to achieving Silver status.
- Supporting a growing network of local Eco Champions, providing newsletters, social media updates, training and opportunities for online advice sessions.
- Communicating and educating the parishes towards their responsibilities to care for God's wonderful creation.
- Supporting the Diocesan Net Zero Task Force in its work towards the Diocese's aim to achieve carbon neutrality by 2030 (as agreed by the General Synod).

## Diocesan Mission and Pastoral Committee

The Bishop's Council is the Diocesan Mission and Pastoral committee for the Diocese of Salisbury and the four archidiaconal mission and pastoral committees (ADMPCs) act as its sub-committees, chaired by their respective Area Archdeacon. Archdeacons, Rural Deans, Deanery Lay Chairmen, and three members nominated by Bishop's Council, are all ex officio members; Rural and Ecumenical officers, Assistant Rural Deans, and Rural Field Officers are also invited to attend meetings. The ADMPCs share joint meetings with the two area Mission Oversight Groups (MOGs) led by the Bishop of Ramsbury and the Bishop of Sherborne. The ADMPCs deal with pastoral matters in their area including noting all clergy vacancies and appointments, parish re-organisation, suspensions of presentation, boundary changes, deanery and presence mapping, clergy deployment and strategic planning through their deanery plans.

The committees met on-line via Zoom throughout 2021 and focussed on addressing issues for mission and ministry raised by the pandemic, on the Diocesan budget and clergy deployment. Each archidiaconal committee had been asked to look at reducing clergy posts and to consider how best to achieve savings to achieve the budget set by Diocesan Synod. Pastoral consultations re-commenced but with longer periods allowed for consultation and a more rigorous discussion phase to ensure parishes were well informed. Covid led to a reduction of pastoral schemes but a much greater interest in exploring opportunities for uniting parishes, recognising that it is much harder to find PCC secretaries, treasurers and churchwardens and looking at ways of simplifying administration and reducing the workload for clergy.

- **Pastoral Schemes and Orders:** Due to ongoing difficulty caused by Covid-19 restrictions, it was only possible to bring one scheme into effect.
- **St Aldhelm Benefice:** A scheme which united three of the seven parishes in the benefice to form the St Aldhelm parish came into effect on 1 October 2021.
- A scheme for **The Union of the Gussage Parishes and their transfer from the Chase benefice into the Cranborne with Boveridge, Edmondsham and Wimborne St Giles benefice and a scheme to Dissolve the Bridge benefice and move the parishes into Wimborne Minster and the Wimborne Villages benefice and into the Red Post benefice** received representations which went before the Church Commissioners review panel in November 2021. Although they dismissed the representations, the representors are allowed time for appeal, and the outcome of both of these schemes will not be known until 2022.

- **Potential Pastoral Changes under discussion:**

- Proposals to dissolve the benefice of **Chickerell with Fleet** and move the parishes into adjacent benefices have undergone preliminary consultations and will come back to the Sherborne ADMCP in February 2022.
- Proposals to form a Group Ministry between the benefices of **Hazelbury Bryan and the Hillside Parishes, Marnhull and Spire Hill** are currently under discussion and will go forward to the Sherborne ADMPC in February.
- A pastoral scheme is currently being drafted to unite the parishes of **Atworth and Shaw and Whitley** in the benefice of Atworth with Shaw and Whitley and will go to the next Wilts ADMPC meeting in March 2022.
- A Bishops Order to change the name of the benefice of **Hampreston** to Hampreston and Ferndown has already been approved by the Dorset ADMPC but is currently being discussed by the parishes.
- In **Cannings and Redhorn** benefice the church of Marden All Saints had been considering church closure, but this is on hold as the benefice explores the possibility of becoming a festival church.
- The **Upper Kennet** benefice has for some time been exploring the possibility of some or all of its parishes uniting, and discussions are ongoing.
- In the **Chalke Valley** benefice the church of Charlton All Saints is looking at potential future uses and possibly sharing part of the building with a village hall committee who might lease part of the building.

- **Benefices in which Presentation is Suspended:**

- On 31 December 2021 there were a total of 11 suspended benefices.
- The following benefices remain under suspension whilst pastoral proposals are being considered: Chase; Pimperne, Stourpaine, Durweston and Bryanston; Sixpenny Handley with Gussage St Andrew and Pentridge; Spetisbury with Charlton Marshall and Blandford St Mary; Mere with West Knoyle and Maiden Bradley; Upper Stour; Amesbury; Hazelbury Bryan and the Hillside Parishes; Marnhull; Abbotsbury Portesham and Langton Herring.
- A one-year Bishop's suspension Order was made in the benefices of Branksome St Clement; Okeford; Watercombe; Chickerell with Fleet to allow a short period of pastoral planning to take place; these may need to be extended to a five year suspension before they expire in 2022.

## **The Audit and Risk Committee (ARC)**

The need for an Audit and Risk Committee was identified in 2018. In early 2019 the Committee was set up with an Independent Chair and a membership of five (now six). Meeting four times a year and as a sub-committee of the Finance Committee, the ARC role was to provide assurance to the Finance Committee and the DBF Executive regarding the annual Report and Accounts, systems of internal control and risk management. In July 2021 it was agreed that the ARC should be a sub-committee of the Bishop's Council, to assist the Council in its role as the Executive Committee of the DBF, to fulfil their responsibilities in relation to: the effectiveness and objectivity of the external audit; the integrity of financial reporting and systems of internal control; the adequacy of arrangements relating to the management of risk and compliance with relevant legislation and regulations.



## Diocesan Board of Patronage

Ex officio members of the Board of Patronage are the Bishop of Salisbury, The Bishop of Sherborne, the Bishop of Ramsbury, the Archdeacons of Wilts, Sarum, Sherborne and Dorset, and elected members are Mr Perry Chadwyck-Healey (Chairman), Lady Sarah Gooch, Mrs Margaret Morrissey, Mr Andrew Curtis, Dr John Waldsax, Revd Sarah Pix and Revd Sarah Hillman, with a vacancy for one member of the clergy.

In November 2021 Mr Perry Chadwyck-Healey, chairman for over nine years, announced he would be standing down and a new Chair will be elected at the Annual meeting in February 2022.

In December 2021 the Bishop's Council, acting on behalf of the Diocesan Synod, elected two new members to the Board: Revd Mark Windsor and Mrs Sarah Beach. Members stand for a term of six years which started on 1st January 2019 and will be eligible for re-election.

The committee members are patrons to 26 benefices; they are sole patron in the three benefices and share patronage rights in the other 23 benefices. The Board's primary task is to help during the appointment process to find good and qualified clergy, suitable for appointment to the benefice. Members review new and pending vacancies, receive reports from the appointed link representatives, consider pastoral proposals and note any suspensions of presentation. Members are notified of shortlisting and interview dates by the Area Offices for all relevant vacancies.

The Committee met for its Annual Meeting on 27 January 2021. In between meetings the Patronage Secretary notifies members of all relevant matters by email or phone and sends periodic updates. The Area offices and Archdeacons notify members when a vacancy arises and then liaise directly with them throughout the appointment process. Members act on behalf of the Board with the aim of supporting the parish during the appointment process, but do not generally give a strong view unless asked by the parishes they represent to do so. In 2021 members have been involved with interviews in the benefices of Melksham, St Bartholomew, Savernake, and Shaftesbury.

In Summer 2021, the Secretary of the Board announced her retirement and following structural changes to the governance structures in the Diocesan office, Mrs Miriam Longfoot was appointed Secretary in December 2021. She will be supported in this role by Ms Anne Jensen who will act as her administrative assistant.

## Diocesan Advisory Committee (DAC)

The Diocesan Advisory Committee for the Care of Churches is a statutory body that exists to support parishes in the care and development of their church buildings, and to advise the Diocesan Chancellor and Archdeacons on all Faculty or List B Applications. Members of the Committee serve a six year term with the current membership having been appointed/re-appointed by Bishop's Council in 2021.

During 2021 the DAC discussed 158 applications with approximately 70% progressing. This is a higher progression rate than the previous year due, in part, to better-quality applications because of the outreach and work of the Church Buildings Team. The DAC enacted the use of Delegated Authority, which meant that faculty applications that have minor impacts to the significance of the building could be dealt with without the need to go to the full meeting. This helped to reduce the completion time of relevant applications enabling works to be carried out more swiftly. In addition, the number of meetings was increased from six to eight to further improve the application process and better serve the parishes.

By order of the Trustees:

*EJ McCormick*

(Signed by Ms J McCormick, Chair of the DBF)

Date: 19 August 2022

# Independent auditor's report to the members of the Salisbury Diocesan Board of Finance

## Opinion

We have audited the financial statements of the Salisbury Diocesan Board of Finance for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of 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:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 charity 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 trustees are responsible for the other information. The other information comprises the information included in the Trustee's Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have 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 Trustees' Report (which incorporates 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:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 36, 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.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition.


Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). 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.

Signed:  .....

Adam Halsey (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

Date: **19 August 2022**  
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SALISBURY DIOCESAN BOARD OF FINANCE  
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>Funds</b>	<b>Notes</b>	<b>Unrestricted General</b>	<b>Unrestricted Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total funds 2021</b>	<b>Total funds 2020</b>
		£,000	£,000	£,000	£,000	£,000	£,000
<b>Income and Endowments from</b>							
Donations							
Parish Share	<b>2</b>	9,697	-	-	-	9,697	9,604
Archbishops' Council & Church Commissioners	<b>3</b>	197	-	485	-	682	691
Other donations	<b>4</b>	159	6	228	-	393	430
Charitable activities	<b>5</b>	148	-	752	-	900	683
Other activities	<b>6</b>	740	-	-	-	740	684
Investments	<b>7</b>	129	15	294	453	891	919
<b>Total</b>		<b>11,070</b>	<b>21</b>	<b>1,759</b>	<b>453</b>	<b>13,303</b>	<b>13,011</b>
<b>Expenditure on</b>							
Raising funds	<b>8</b>	89	-	65	-	154	161
Charitable activities	<b>9</b>	13,340	178	857	-	14,375	14,155
SDBF BC Ltd	<b>10</b>	233	-	-	-	233	208
<b>Total</b>		<b>13,662</b>	<b>178</b>	<b>922</b>	<b>-</b>	<b>14,762</b>	<b>14,524</b>
<b>Net income/ (expenditure) before investment gains</b>		<b>(2,592)</b>	<b>(157)</b>	<b>837</b>	<b>453</b>	<b>(1,459)</b>	<b>(1,513)</b>
Net gains/(losses) on investments/property/ glebe	<b>11</b>	392	73	1,209	2,186	3,860	300
<b>Net income/ (expenditure)</b>		<b>(2,200)</b>	<b>(84)</b>	<b>2,046</b>	<b>2,639</b>	<b>2,401</b>	<b>(1,213)</b>
<b>Gross transfers between funds</b>		3,040	18,563	(21,470)	(133)	-	-
Movement in clergy pension creditor					372	372	483
<b>Net movement in funds</b>		<b>840</b>	<b>18,479</b>	<b>(19,424)</b>	<b>2,878</b>	<b>2,773</b>	<b>(730)</b>
<b>Total funds brought forward</b>		3,163	495	27,137	94,871	125,666	126,396
<b>Total funds carried forward</b>	<b>26</b>	<b>4,003</b>	<b>18,974</b>	<b>7,713</b>	<b>97,749</b>	<b>128,439</b>	<b>125,666</b>

The notes on pages 50 to 69 form an integral part of the financial statements.

SALISBURY DIOCESAN BOARD OF FINANCE  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>Funds</b>	<b>2021</b>	<b>2020</b>
	£,000	£,000
Total incoming resources	12,850	12,527
Resources expended	(14,762)	(14,524)
<b>Operating surplus/(deficit) for the year</b>	<b>(1,912)</b>	<b>(1,997)</b>
Net gains on investments	1,674	89
<b>Net income/(expenditure) for the year</b>	<b>(238)</b>	<b>(1,908)</b>
<b>Other comprehensive income:</b>		
Net assets transferred from endowments	133	484
<b>Total recognised gains for the year</b>	<b>(105)</b>	<b>(1,424)</b>

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

The notes on pages 50 to 69 form an integral part of the financial statements.

**SALISBURY DIOCESAN BOARD OF FINANCE**  
**CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2021**

<b>Assets</b>	<b>Notes</b>	<b>Group 2021 £,000</b>	<b>Parent 2021 £,000</b>	<b>Group 2020 £,000</b>	<b>Parent 2020 £,000</b>
<b>Fixed assets</b>					
Tangible assets	<b>16</b>	91,952	91,952	93,555	93,555
Investments	<b>18</b>	33,926	33,926	31,090	31,090
Programme related investments	<b>19</b>	89	89	89	89
		<b>125,967</b>	<b>125,967</b>	<b>124,734</b>	<b>124,734</b>
<b>Current assets</b>					
Current Assets exc Cash	<b>20</b>	993	1,090	1,227	1,184
Cash at bank and in hand	<b>21</b>	4,805	4,548	3,704	3,531
<b>Creditors: amounts falling due within one year</b>	<b>22</b>	<b>(887)</b>	<b>(855)</b>	<b>(730)</b>	<b>(684)</b>
<b>Net current assets</b>		<b>4,911</b>	<b>4,783</b>	<b>4,201</b>	<b>4,031</b>
<b>Total assets less current liabilities</b>		<b>130,878</b>	<b>130,750</b>	<b>128,935</b>	<b>128,765</b>
<b>Creditors: amounts falling due in more than one year</b>	<b>23</b>	<b>(2,439)</b>	<b>(2,439)</b>	<b>(3,269)</b>	<b>(3,269)</b>
<b>Net assets</b>		<b>128,439</b>	<b>128,311</b>	<b>125,666</b>	<b>125,496</b>
<b>Representing:</b>					
<b>Funds</b>	<b>27</b>	<b>128,439</b>	<b>128,311</b>	<b>125,666</b>	<b>125,496</b>

The DBF does not have a separate revaluation reserve as the historic cost of most of its historical assets is not known. Valuation gains or losses are added to or deducted from the appropriate fund.

Total funds of the parent company at 31 December were £128k less than the Group representing gift aided profits not yet paid over. (2020 £170k less).

*EJ McCormick*

(Signed by Ms J McCormick, Chair of the DBF)

Date: 19 August 2022

The notes on pages 50 to 69 form an integral part of the financial statements.

**SALISBURY DIOCESAN BOARD OF FINANCE**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	£,000	£,000	£,000	£,000
<b>Net cash inflow / (outflow) from operating activities</b>		<b>(2,219)</b>		<b>(2,696)</b>
<b>Cash flows from investing activities</b>				
Dividends, interest and rent from investments	891		919	
Dividends, interest and rent from investments				
Tangible fixed assets	2,271		878	
Fixed asset investments	579		988	
Purchase of:				
Tangible assets for the use of SDBF	(296)		(222)	
Investments	-		(10)	
Repayment of bank loan	(125)		-	
<b>Net cash provided by / (used in) investing activities</b>		<b>3,320</b>		<b>2,553</b>
<b>Cash flows from financing activities</b>				
Loans advanced		-		2,500
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,101</b>		<b>2,357</b>
<b>Cash and cash equivalents at 1 January</b>		<b>3,704</b>		<b>1,347</b>
<b>Cash and cash equivalent at 31 December</b>		<b>4,805</b>		<b>3,704</b>

<b>Reconciliation of net movements in funds to</b>	<b>2021</b>	<b>2020</b>
	£,000	£,000
<b>Net movement in funds for the year ended 31 December</b>	<b>2,773</b>	<b>(730)</b>
<b>Adjustments for:</b>		
Depreciation charges	115	97
Dividends, interest and rent from investments	(891)	(919)
Decrease/(increase) in debtors	234	52
Increase in creditors	(218)	(413)
Pension deficit provision movement	(372)	(483)
Movement in investments and fixed assets	(3,860)	(300)
<b>Net cash provided by / (used in) operating activities</b>	<b>(2,219)</b>	<b>(2,696)</b>

<b>Analysis of changes in net debt</b>	<b>at 1 Jan 2021</b>	<b>Cashflows</b>	<b>Other changes</b>	<b>at 31 Dec 2021</b>
	£,000	£,000	£,000	£,000
<b>Cash and cash equivalents</b>				
Cash and deposit accounts	3,704	1,101	-	4,805
	<b>3,704</b>	<b>1,101</b>	<b>-</b>	<b>4,805</b>
<b>Borrowings</b>				
Debt due within one year	(125)	125	(500)	(500)
Debt due after one year	(2,587)	-	458	(2,129)
	<b>(2,712)</b>	<b>125</b>	<b>(42)</b>	<b>(2,629)</b>
<b>Total</b>	<b>992</b>	<b>1,226</b>	<b>(42)</b>	<b>2,176</b>

The notes on pages 50 to 69 form an integral part of the financial statements.



# Accounting Policies and Notes to the Financial Statements for the year ending 31 December 2021

1.

**Statement of compliance:** Salisbury Diocesan Board of Finance is a company limited by guarantee (registered number 17442) and a charity (registered number 240833) registered in England & Wales. The registered office and principal place of business is Church House, Crane Street, Salisbury, SP1 2QB. The principal activities of the charitable company are set out in the Trustees' Report.

The financial statements, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance sheet, the Cash Flow Statement and the related notes constitute the individual financial statements of Salisbury Diocesan Board of Finance for the year ended 31 December 2021. The financial statements have been prepared in compliance with FRS102 as it applies to the financial statements of the charitable company for the year ended 31 December 2021. Salisbury Diocesan Board of Finance meets the definition of a public benefit entity under FRS102.

The financial statements have been presented in Pound Sterling as this is functional currency of the DBF and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

**Basis of preparation:** The financial statements have been prepared under the historical cost convention, except for 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 2015), the Companies Act 2006 and applicable accounting standards (FRS102), and Diocesan Financial Statements Guide 5th edition 2015 (the DFS guide).

**Going concern:** The trustees have reviewed the anticipated performance for a period of at least twelve months from the date of approval of the financial statements which demonstrate that there is no material uncertainty regarding the DBF's ability to meet its liabilities as they fall due, and to continue as a going concern. This is because mitigating measures have been taken to ensure liquidity. On this basis, the trustees consider it appropriate to prepare the financial statements on a going concern basis.

**Basis of Consolidation:** The financial statements consolidate the results of the charity and its wholly owned subsidiary, DBF Building Consultancy Limited, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

DBF Building Consultancy Limited was incorporated on 13 June 2017 and started trading on 1 July 2017. Its results have been accounted for on a line by line basis. Intergroup transactions and balances are eliminated on consolidation.

**Income:** including legacies, is generally included in the Statement of Financial Activities (SoFA) when the DBF is entitled to the income, where receipt is probable, and the amount can be quantified with reasonable accuracy. The categories of incoming resources in the SoFA are those set down in the DFS guide.

- Share paid by parishes is treated as income of the year in which it is received except that amounts received up to the end of February of the following year in respect of the previous year are included as income of the year.
- Rent receivable is recognised as income in the period with respect to which it relates.

- Interest and dividends are recognised as income when receivable.
- Grants received that 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.
- Parochial fees are recognised as income of the year to which they relate.
- Donations other than grants are recognised when receivable.
- Gains on disposal of fixed assets for the DBF'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.
- Services rendered: Revenues from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:
  - the amount of revenue that can be measured reliably
  - it is probable that the charitable company will receive the consideration due under the contract
  - the stage of completion of the contract at the end of the reporting period can be measured reliably, and
  - the costs incurred and the costs to complete the contract can be measured reliably.

**Expenditure:** All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The categories of resources expended in the SoFA are those set down in the DFS guide augmented to reflect the Diocese's Sudan and Latvia links and Milton Abbey Church.

- Expenditure on raising funds is the costs attributable to generating incoming resources from all sources other than undertaking charitable activities.
- Expenditure on charitable activities comprises all the resources applied by the DBF in undertaking its work to meet its charitable objectives.
- Governance costs are the costs which relate to the strategic planning and the public accountability of the DBF and its compliance with legislation and regulations.
- Support costs are those costs incurred in the administration of the DBF, which whilst not themselves delivering a charitable activity are necessary to its proper administration and are apportioned on an estimated basis of staff time engaged in such support activities.
- Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure where the conditions attaching are fulfilled.

**Funds:** The DBF's funds have been grouped under the following headings:

**Unrestricted Funds** are available for use at the discretion of the trustees. The general fund is the principal fund for use in furtherance of the general objectives of the DBF. There are also several other designated funds established by the DBF for particular purposes.

**Restricted Funds** are funds which are to be used in accordance with specific restrictions imposed by donors or restricted by Measure. The cost of raising and administering such funds are charged against the specific fund.

**Endowment Funds** are a category of restricted funds the capital of which may be either expendable or permanent.

The purpose of every fund under each heading is set out in pages 67-69 of the financial statements. All income, expenditure and gains and losses are allocated to the appropriate fund.

**Tangible fixed assets and depreciation:** Tangible fixed assets costing more than £1k are capitalised and included at cost including any incidental expenses of acquisition. All freehold properties are included in the balance sheet at cost, properties acquired before the date of transition to FRS102 have been recognised using the revaluation as deemed cost exemption. The previous GAAP valuation was performed on 31 December 2012. Mixed-use property held by the DBF comprises the offices at Church House and residential property at the same site. This property is not valued by its separate functions, as the DBF believes that such a valuation would not be materially different.

The DBF has decided no depreciation is required on the freehold properties as:

- Estimated economic life far exceeds 50 years,
- Any depreciation charges and accumulated depreciation would not be material and
- Buildings are maintained in a sound condition by a continual repairs and improvements programme, the cost of which is charged to the income and expenditure account.

As a result of the policy of non-depreciation, the DBF performs annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value of the properties is not more than the recoverable amount.

Depreciation on furniture, fittings and office equipment is charged on a straight-line basis at a rate of 33.3% to write off assets over their useful lives. A full year's charge is made in the year of acquisition. Other equipment includes photovoltaic solar installations, which are depreciated over their useful economic life as defined by the contracts for feed-in payments.

**Fixed Asset Investments:** Unlisted investments are stated at market value at the balance sheet date. The SoFA includes the net gains and losses arising on revaluations and disposals during the year.

Land and properties that are held for investment purposes have been included at their fair value.

Programme related investments are included at the sum originally invested, less any impairments and, in the case of loans, repayments.

**Pension Costs:** The DBF participates in a pension scheme for employees. The assets of the scheme are held separately from those of the company. Contributions are assessed by a qualified actuary so as to spread the cost over employees working lives. Details of clergy pensions are given in pages 76-78.

**Financial Instruments:** The Charity 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 with the exception of loans, which are subsequently measured at amortisation cost using the effective interest method.

**Public benefit entity concessionary loans:** The Charity initially measures public benefit concessionary loans at the amount received or paid. Subsequently the carrying amount of concessionary loans are adjusted to reflect any accrued interest payable or receivable. To the extent that a loan that has been made is irrecoverable, an impairment loss is recognised in income and expenditure.

**Judgements and key sources or estimation uncertainty:** The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amount recognised in the financial statements:

**Clergy properties held as tangible fixed assets:** These are held at deemed historical cost. Each year consideration is given to the need for an impairment provision. No such provision is required for 2021 due to favourable market conditions and the fact that four out of the five properties sold were at a profit.

**Fair value of investment properties:** Investment properties are included at fair market value, as assessed by Strutt & Parker who manage these properties. The properties are revalued triennially with adjustments for impairment included each year if necessary.

**Pension and other post-employment benefits:** Pension provisions relating to lay staff and clergy are valued every three years on an actuarial basis. Any shortfall in funding pensions and post-retirement benefits is recognised as a liability in the accounts. Further details can be found in pages 76–78.

**Benefice houses recognition:** Benefice houses are legally vested in the incumbent of the benefice. However, the DBF has recognised these as functional assets on the basis that the DBF carries both obligations in terms of maintenance and improvement and object related benefits of ownership.

**Depreciation of freehold properties:** The DBF does not depreciate its freehold properties, as it judges any depreciation charge to be immaterial because of the long life of the asset and high residual value based on the DBF policy of regular maintenance. The DBF carries out an impairment review when signs of impairment exist.



**SALISBURY DIOCESAN BOARD OF FINANCE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Parish Share**

	Unrestricted general	designated	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	£,000	£,000	£,000	£,000	£,000	£,000
Share for the year per the Budget	10,692	-	-	-	10,692	10,692
Less: provision for shortfall in contributions	(1,073)	-	-	-	(1,073)	(1,092)
Less: write-off in year	(46)	-	-	-	(46)	
	9,573	-	-	-	9,573	9,600
Plus: arrears for previous years	124	-	-	-	124	4
	<b>9,697</b>	-	-		<b>9,697</b>	<b>9,604</b>

Current year parish Share receipts represent 90% of the total apportioned (2020 89.8%), or, when receipts for previous years are included, 90.6% of the total apportioned (2020 89.8%)

**3. The National Church institutions**

The Archbishops' Council

Strategic Development funding	-	-	199	-	199	190
RME	-	-	286	-	286	294
Strategic Ministry Funding	85	-	-	-	85	42
The Church Commissioners						
Area Bishops' secretaries	60	-	-	-	60	92
Past Case Review (PCR)	-	-	-	-	-	23
Bishop's secretary	52	-	-	-	52	50
	<b>197</b>	-	<b>485</b>	-	<b>682</b>	<b>691</b>

**4. Other donations**

All Churches Trust	117	-	13	-	130	127
Other grants	32	-	43	-	75	-
Donations	10	6	172	-	188	303
	<b>159</b>	<b>6</b>	<b>228</b>	-	<b>393</b>	<b>430</b>

**5. Charitable activities**

Statutory fees and chaplaincy income	-	-	752	-	752	596
Management Fees	148	-	-	-	148	87
	<b>148</b>	-	<b>752</b>	-	<b>900</b>	<b>683</b>

**6. Other activities**

Rental income from let clergy houses	379	-	-	-	379	275
Fee income from property projects	361	-	-	-	361	409
	<b>740</b>	-	-	-	<b>740</b>	<b>684</b>

**7. Investment income**

Dividends receivable	93	15	110	452	670	719
Interest receivable	0.4	0.2	2	0.1	3	13
Rents from investment properties	-	-	182	-	182	160
Rents from other properties	36	-	-	-	36	27
	<b>129</b>	<b>15</b>	<b>294</b>	<b>453</b>	<b>891</b>	<b>919</b>

**SALISBURY DIOCESAN BOARD OF FINANCE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

	Unrestricted		Restricted	Endowment	Total	Total
	general	designated	funds	funds	funds	funds
	£,000	£,000	£,000	£,000	2021	2020
					£,000	£,000
<b>8. Fund raising costs</b>						
Glebe agent's fees	-	-	65	-	65	63
Agents' fees on other let property	55	-	-	-	55	25
Other expenses on other let property	16	-	-	-	16	23
Fund Raising	18	-	-	-	18	50
	<b>89</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>154</b>	<b>161</b>
<b>9. Charitable activities</b>						
<b>Direct ministry cost</b>						
Stipends, national insurance, A Levy & Pensions	7,237	-	-	-	7,237	7,271
Clergy expenses	150	-	-	-	150	189
Maintenance of clergy property	1,980	-	125	-	2,105	1,844
	<b>9,367</b>	<b>-</b>	<b>125</b>	<b>-</b>	<b>9,492</b>	<b>9,304</b>
<b>Ministerial support and support to parishes</b>						
Ministry support team	411	178	7	-	596	629
Communications	109	-	-	-	109	99
Social justice, discipleship and mission outreach	97	-	-	-	97	60
Ordinands college costs	-	-	269	-	269	271
National Church - training for Ministry Vote 1 and pooling	522	-	-	-	522	518
Parish support; governance, pastoral, patronage & admin	303	-	-	-	303	265
Rural Hope	-	-	199	-	199	191
Church Buildings	183	-	-	-	183	186
Safeguarding	176	-	-	-	176	178
Registrar & Chancery fees and other professional fees	182	-	-	-	182	199
Area offices	132	-	-	-	132	157
Milton Abbey	-	-	54	-	54	29
Supporting parish trusts	21	-	-	-	21	20
	<b>2,136</b>	<b>178</b>	<b>529</b>	<b>-</b>	<b>2,843</b>	<b>2,802</b>
<b>Work with children and young people</b>	<b>336</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>336</b>	<b>330</b>
<b>Central costs and IT</b>						
Central costs	603	-	-	-	603	583
Human Resources	64	-	23	-	87	79
Investment in IT	217	-	-	-	217	144
	<b>884</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>907</b>	<b>806</b>
<b>Other non parish-costs</b>						
National Church - central costs (Votes 2-5)	542	-	-	-	542	559
Supporting the Sudans	-	-	181	-	181	241
Share discount and provision	35	-	-	-	35	80
Interest payable	15	-	-	-	15	1
	<b>592</b>	<b>-</b>	<b>181</b>	<b>-</b>	<b>773</b>	<b>881</b>
<b>Governance</b>						
Audit	20	-	-	-	20	19
Synod costs and meetings	4	-	-	-	4	13
	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>32</b>
<b>Total charitable activities</b>	<b>13,339</b>	<b>178</b>	<b>858</b>	<b>-</b>	<b>14,375</b>	<b>14,155</b>

SALISBURY DIOCESAN BOARD OF FINANCE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

**10. Other resources expended**

	Unrestricted general	designated	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	£,000	£,000	£,000	£,000	£,000	£,000
SDBF BC Ltd	233	-	-	-	233	208
	<b>233</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233</b>	<b>208</b>

**11. (Losses) / gains on investments, property and glebe**

Realised profit/(loss) on sale of investments	215	-	-	630	845	(148)
Movement in value of investments	202	73	739	1,157	2,171	(722)
Realised gain on sale of clergy property	-	-	487	-	487	45
Realised gain on sale of glebe	-	-	-	399	399	65
Movement in valuation of glebe	-	-	-	-	-	1,060
Increase in loan provision	(25)		(17)		(42)	-
	<b>392</b>	<b>73</b>	<b>1,209</b>	<b>2,186</b>	<b>3,860</b>	<b>300</b>

**12. Analysis of resources expended**

including allocation of support costs	Activities undertaken directly	Grant funding of activities	Support costs	Total	
	£,000	£,000	£,000	£,000	
Raising funds	154	-	-	154	
Direct ministry cost	9,221	270	-	9,491	
Ministerial support and support to parishes	1,576	575	693	2,844	
Support for Children and Young people	-	336	-	336	
Central costs, HR and IT	907	-	-	907	
National Church central costs	-	542	-	542	
Supporting the Sudans	-	180	1	181	
Share discount	35	-	-	35	
Interest payable	15	-	-	15	
Governance	-	-	24	24	
	<b>11,908</b>	<b>1,903</b>	<b>718</b>	<b>14,529</b>	

Allocation of support cost	Activities undertaken directly	Grant funding of activities	Support costs	Total 2021	Total 2020
	£,000	£,000	£,000	£,000	£,000
Staff Costs & Office	578	-	-	578	487
Governance	-	-	24	24	32
Depreciation	115	-	-	115	97
Supporting the Sudans	-	-	1	1	3
	<b>693</b>	<b>-</b>	<b>25</b>	<b>718</b>	<b>619</b>

SALISBURY DIOCESAN BOARD OF FINANCE  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. Analysis of grants payable**

	2021	2020
	£,000	£,000
<b>To Institutions</b>		
National Church Responsibilities		
The Archbishop's Council	1,064	1,077
Salisbury Diocesan Board of Education	336	330
	<b>1,400</b>	<b>1,407</b>
<b>Diocesan Links Overseas</b>		
Sudanese Dioceses / schools / colleges	180	238
	<b>180</b>	<b>238</b>
<b>Within the Diocese:</b>		
PCCs	34	27
Other mission bodies	13	8
County ecumenical bodies	6	6
	<b>53</b>	<b>41</b>
<b>To Individuals</b>		
Individual training for ministry	168	118
Hardship	-	34
First appointment, resettlement and removal	102	99
	<b>270</b>	<b>251</b>
<b>Totals for all grants</b>	<b>1,903</b>	<b>1,937</b>



SALISBURY DIOCESAN BOARD OF FINANCE  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**14. Staff and stipendiary costs**

	2021	2020
	£,000	£,000
<b>Gross Salaries</b>	1,592	1,600
Social security costs	153	152
Pension costs	298	293
	<b>2,043</b>	<b>2,045</b>
<b>Split of staff costs</b>		
Rural Hope and fully reimbursed under Strategic Development Funding	144	144
Part of clergy deployment or recharged to parishes	198	144
SDBF BC Ltd	187	142
Remaining DBF staff	1,514	1,615
	<b>2,043</b>	<b>2,045</b>

The numbers of staff whose emoluments (excluding pension contributions) amounted to more than £60k were as follows:

	2021	2020
	£,000	£,000
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1

Pension payments of £33,556 (2020 £23,603) were made for these employees.

Redundancy payments made in the year were as follows:	22	116
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The average numbers of employees, based on full time equivalents, were as follows:	<b>44</b>	<b>46</b>
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**Remuneration of key management personnel**

Diocesan Secretary, David Pain

Diocesan Director of Finance and Asset management, Elizabeth Ashmead

Diocesan Director of Mission & Ministry and Deputy Diocesan Secretary, Jonathan Triffitt

Diocesan Surveyor and Head of Property, Shawn Donneky

Remuneration, pensions and expenses for these employees amounted to £354,461 (2020: £314,829)

No trustee has received from the DBF any remuneration for services as a trustee.

Trustees received travelling and out-of pocket expenses as trustees of £ nil (2020: £643).

The table below identifies trustees who were in receipt of a stipend funded by the DBF and/or housing provided by the DBF in the year.

	Stipend
The Rt Rev K Gorham	No
The Rt Rev Dr A Rumsey	No
The Ven A P Jeans	Yes
The Ven P Sayer	Yes
The Ven S Groom	Yes
The Ven A C MacRow-Wood	Yes
The Rev L Cook	Yes
Canon D Baldwin	Yes
Canon A Perry	Yes
Canon G Osborne	No
Canon L Holt	Yes
Canon J Curtis	Yes

The DBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. The DBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the Suffragan Bishops but excluding Diocesan Bishop and Cathedral staff.

The DBF paid an average (FTE) of 176 (2020: 181) stipendiary clergy as office-holders, and the costs were as follows:

	2021	2020
	£,000	£,000
<b>Direct cost of clergy</b>		
Stipends	4,841	4,871
National Insurance contributions	393	391
Apprenticeship levy	22	22
	<b>5,256</b>	<b>5,284</b>
<b>As part of Rural Hope and fully reimbursed</b>		
Stipends	27	27
National Insurance contributions	2	2
Apprenticeship levy	-	-
	<b>29</b>	<b>29</b>
<b>Total Stipends</b>		
Stipends	4,868	4,898
National Insurance contributions	395	393
Apprenticeship levy	22	22
	<b>5,285</b>	<b>5,313</b>

The annual rate of stipend, funded by the DBF, paid to Archdeacons in 2021 was in the range £36,070-£37,974 (2020: range £36,070-£37,230).

Other clergy who were trustees were paid in the range £27,000-£27,540 (2020: range £26,970-£27,000).

Housing allowance for 2021 was £8,305 (2020: £8,154).

**SALISBURY DIOCESAN BOARD OF FINANCE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**15. Connected charities**

The trustees consider that Salisbury Diocesan Board of Education Ltd (DBE) is a connected charity. The work of education in the Diocese is undertaken by the DBF through the DBE as a department. DBE employs no staff of its own, though its trading subsidiary, SALED Ltd, does. The DBF makes grants to the DBE for its work in the Diocese.

	2021	2020
	£,000	£,000
<b>Transactions with DBE and SALED Ltd</b>		
Charged by DBF:		
to SALED Ltd for office services	-	4
Grants made by DBF to DBE	336	330
SALED	-	4

**16. Tangible assets**

	<b>Unrestricted</b>		<b>Restricted</b>	<b>Endowment</b>		<b>Totals</b>
	Property	Equipment	Assistant staff houses and other property	Team vicarages	Benefice houses	
<b>Cost or Valuation</b>	£,000	£,000	£,000	£,000	£,000	£,000
At 1 January 2021*	1,815	851	19,951	15,224	56,338	94,179
Additions	-	75	221	-	-	296
Disposals	-	-	(1,784)	-	-	(1,784)
At 31 December 2021	<b>1,815</b>	<b>926</b>	<b>18,388</b>	<b>15,224</b>	<b>56,338</b>	<b>92,691</b>

**Accumulated depreciation**

At 1 January 2021	-	624	-	-	-	624
Charge for the year	-	115	-	-	-	115
Disposals	-	-	-	-	-	-
At 31 December 2021	<b>-</b>	<b>739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>739</b>

**Net Book Value**

At 31 December 2021	<b>1,815</b>	<b>187</b>	<b>18,388</b>	<b>15,224</b>	<b>56,338</b>	<b>91,952</b>
At 31 December 2020	1,815	227	19,951	15,224	56,338	93,555

\*Two properties have been purchased with the help of value-linked loans from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of the properties included above amounts to £355k (2020: £355k)

SALISBURY DIOCESAN BOARD OF FINANCE  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**17. Heritage Assets**

The DBF owns Milton Abbey Church which has a nil valuation attributed to it because of its restricted use, its restricted access and the long term maintenance liabilities which attach to it.

**18. Investment fixed assets**

	2021	2020
	£,000	£,000
<b>a. Investments with fund managers</b>		
Market value at 1 January	18,709	20,491
Additions at cost	6,888	10
Disposals at carrying value	(6,043)	(1,072)
Net investment gains / losses	2,171	(721)
<b>Market value at 31 December 2021</b>	<b>21,725</b>	<b>18,709</b>
<b>b. Investment properties</b>		
Carrying value at 1 January	12,381	11,321
Revaluation at 31 December	-	1,060
Disposals at carrying value	(180)	-
<b>Carrying value at 31 December</b>	<b>12,201</b>	<b>12,381</b>
<b>Total Investment Fixed Assets at 31 December 2021</b>	<b>33,926</b>	<b>31,090</b>

For both investments and investment properties the historical cost is not known.

	2021	2020
	£,000	£,000
<b>Investments with fund managers comprise:</b>		
CBF Church of England		
505,075 Investment Fund Shares (2020: 505,075)	11,812	10,328
1,792,094 Property Fund Shares (2020: 1,792,094)	2,609	2,283
Nil units M&G Charifund (2020: 440,284 units)	-	6,043
5,536,725 units Sarasin Investments Active Climate Endowment Fund	7,249	-
Clergy Mutual Credit Union Deferred Shares	5	5
Community Solar projects	40	40
Schools Energy Cooperative	10	10
	<b>21,725</b>	<b>18,709</b>
<b>Investment Properties comprise:</b>	<b>12,201</b>	<b>12,381</b>
<b>Total investments</b>	<b>33,926</b>	<b>31,090</b>



SALISBURY DIOCESAN BOARD OF FINANCE  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**19. Programme related investments**

Programme related investments comprise a total of £89k equity share loans in three properties for clergy at retirement. Such investments are made directly in pursuit of the DBF's charitable purposes rather than for financial investment purposes. The amounts shown represent the sums originally advanced as required under FRS102. The loans are not expected to be repaid in the short term.

**20. Debtors**

	<b>Group</b>	<b>Parent</b>	<b>Group</b>	<b>Parent</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	£,000	£,000	£,000	£,000
Loans to parishes	179	179	190	190
Parish Share	104	104	110	110
Accrued income	272	198	270	163
Sundry debtors	438	609	657	721
<b>Totals</b>	<b>993</b>	<b>1,090</b>	<b>1,227</b>	<b>1,184</b>

Included in debtors are £179k loans to parishes due in more than one year (2020: £190k)

**21. Cash and deposit accounts**

	<b>Group</b>	<b>Parent</b>	<b>Group</b>	<b>Parent</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	£,000	£,000	£,000	£,000
Cash at bank and in hand	4,805	4,548	3,704	3,531

SALISBURY DIOCESAN BOARD OF FINANCE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

**22. Creditors - amounts falling due within one year**

	<b>Group</b>	<b>Parent</b>	<b>Group</b>	<b>Parent</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	£,000	£,000	£,000	£,000
HM Revenue & Customs	5	5	25	5
Accruals	138	133	91	67
Other creditors	244	217	489	487
Coronavirus Business Interruption Loan (CBIL)	500	500	125	125
<b>Totals</b>	<b>887</b>	<b>855</b>	<b>730</b>	<b>684</b>

**23. Creditors - amounts due after more than one year**

	<b>Group</b>	<b>Parent</b>	<b>Group</b>	<b>Parent</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	£,000	£,000	£,000	£,000
<b>a. Clergy pension deficit</b>	<b>310</b>	<b>310</b>	<b>682</b>	<b>682</b>
<b>b. Loans</b>				
Talbot Village Trust	109	109	92	92
Church Commissioners	145	145	120	120
Coronavirus Business Interruption Loan (CBIL)	1,875	1,875	2,375	2,375
<b>Total loans</b>	<b>2,129</b>	<b>2,129</b>	<b>2,587</b>	<b>2,587</b>

Loans from the Talbot Village Trust and the Church Commissioners are value linked loans on two properties and are due to be repaid on sale of the properties. The value of the loan was increased in 2021 to match increase to the value of the property.

The Coronavirus interruption loan was taken out in Autumn 2020. A one year capital and interest repayment holiday was granted- repayment at £41.66k per month started in October 2021. There is no penalty for early repayment. The loan is secured on three clergy houses.

**24. Financial commitments**

There were no commitments approved by the DBF but not paid during the year.

SALISBURY DIOCESAN BOARD OF FINANCE  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**25. Financial instruments**

	<b>Group</b>	<b>Parent</b>	<b>Group</b>	<b>Parent</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	£,000	£,000	£,000	£,000
Cash	4,805	4,548	3,704	3,531
Financial assets held at fair value	34,015	34,015	31,179	31,179
Financial assets held at amortised cost	766	863	1,028	985
Financial liabilities held at amortised cost	(3,083)	(3,077)	(3,762)	(3,737)
Financial liabilities held at fair value	(212)	(212)	(212)	(212)
<b>Net financial assets</b>	<b>36,291</b>	<b>36,137</b>	<b>31,937</b>	<b>31,746</b>

- a) Financial assets held at fair value include listed and unlisted investments.
- b) Financial assets held at amortised cost includes accrued income, loans to parishes and other debtors but excludes prepayments.
- c) Financial liabilities held at amortised cost includes trade creditors, accruals, loans and other creditors but excludes deferred income and statutory taxes and valued linked loans.
- d) Financial liabilities measured at fair value are value-linked loans to the charity.

**SALISBURY DIOCESAN BOARD OF FINANCE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**26. Fund movements in the year**

<b>2021</b>	<b>As at 1 January 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Pension movement</b>	<b>Gains &amp; Losses</b>	<b>As at 31 December 2021</b>
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b><u>Unrestricted funds</u></b>							
General	<b>3,163</b>	<b>11,070</b>	<b>(13,662)</b>	<b>3,040</b>		<b>392</b>	<b>4,003</b>
<b><u>Designated funds</u></b>							
Clergy Conference	78	-	-	15	-	-	93
Aldhelm Mission	255	13	(13)	15	-	37	307
Ordinands Support	-	-	(165)	165	-	-	-
Crompton	162	8	-	(20)	-	37	186
Designated property	-	-	-	18,388	-	-	18,388
<b>Totals for designated funds</b>	<b>495</b>	<b>21</b>	<b>(178)</b>	<b>18,563</b>	<b>-</b>	<b>73</b>	<b>18,974</b>
<b><u>Totals for unrestricted funds</u></b>	<b>3,658</b>	<b>11,091</b>	<b>(13,840)</b>	<b>21,603</b>	<b>-</b>	<b>466</b>	<b>22,977</b>
<b><u>Restricted funds</u></b>							
Pastoral & Development (DPA)	24,797	58	(139)	(20,541)	-	944	5,119
Stipend Income Account	-	935	(73)	(862)	-	-	-
The Sudans							-
Sudan General	122	69	(96)	-	-	-	95
Sudan Relief & Development	-	-	-	-	-	-	-
Sudan Medical Link	27	68	(40)	-	-	-	55
Sudan Juba School	24	35	(45)	-	-	-	14
Milton Abbey	-	36	(54)	18	-	-	-
Latvia	(3)	-	-	3	-	-	-
Diocesan Choral	14	-	-	(15)	-	1	-
RME	34	286	(269)	-	-	-	51
IME pilgrimage	6	-	-	(6)	-	-	-
Strategic Development Funding	1	199	(199)	(1)	-	-	-
Ministry in parishes	2,115	53	-	(53)	-	264	2,379
Music	-	20	(7)	(13)	-	-	-
<b>Totals for restricted funds</b>	<b>27,137</b>	<b>1,759</b>	<b>(922)</b>	<b>(21,470)</b>	<b>-</b>	<b>1,209</b>	<b>7,713</b>
<b><u>Expendable endowment</u></b>							
Benefice Houses	<b>56,019</b>	<b>-</b>	<b>-</b>	<b>320</b>	<b>-</b>	<b>-</b>	<b>56,339</b>
<b><u>Permanent endowment</u></b>							
Stipend Capital Account	35,429	353	-	(19,454)	372	1,693	18,393
Unapplied Total Return	-	-	-	19,101	-	-	19,101
Endowments for ministry in parishes	3,423	100	-	(100)	-	493	3,916
	<b>38,852</b>	<b>453</b>	<b>-</b>	<b>(453)</b>	<b>372</b>	<b>2,186</b>	<b>41,410</b>
<b>Total endowment funds</b>	<b>94,871</b>	<b>453</b>	<b>-</b>	<b>(133)</b>	<b>372</b>	<b>2,186</b>	<b>97,749</b>
<b><u>Grand totals for all funds</u></b>	<b>125,666</b>	<b>13,303</b>	<b>(14,762)</b>	<b>-</b>	<b>372</b>	<b>3,860</b>	<b>128,439</b>

SALISBURY DIOCESAN BOARD OF FINANCE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

**27. Summary of assets by fund**

2021	Fixed assets				Creditors		Net assets
	Tangible	Investments	Current Assets excl cash	Cash	Transfer to Unapplied Total Return	Current liabilities	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Unrestricted funds</b>							
General	2,001	2,742	753	1,414		(887) (2,020)	4,003
<b>Designated funds</b>							
Clergy Conference	-	-	-	93		-	93
Aldhelm Mission	-	292	-	15		-	307
Ordinands Support	-	-	-	-		-	-
Crompton	-	292	-	(106)		-	186
Designated Property	18,388	-	-	-		-	18,388
<b>Totals for designated funds</b>	<b>18,388</b>	<b>584</b>	<b>-</b>	<b>2</b>		<b>-</b>	<b>18,974</b>
<b>Totals for unrestricted funds</b>	<b>20,389</b>	<b>3,326</b>	<b>753</b>	<b>1,416</b>		<b>(887) (2,020)</b>	<b>22,977</b>
<b>Restricted funds</b>							
Pastoral & Development (DPA)	-	3,837	180	1,211		- (109)	5,119
Stipend Income Account	-	-	-	-		-	-
The Sudans							
Sudan General	-	-	-	95		-	95
Sudan Relief & Development	-	-	-	-		-	-
Sudan Medical Link	-	-	-	55		-	55
Sudan Juba School	-	-	-	14		-	14
Milton Abbey	-	-	4	(4)		-	-
Latvia	-	-	-	-		-	-
Choral	-	4	-	(4)		-	-
RME	-	-	-	51		-	51
IME pilgrimage	-	-	-	-		-	-
Strategic Development Funding	-	-	53	(53)		-	-
Bishops' Office Equipment	-	-	3	(3)		-	-
Ministry in parishes	-	2,188	-	191		-	2,379
Music	-	-	-	-		-	-
<b>Totals for restricted funds</b>	<b>-</b>	<b>6,029</b>	<b>240</b>	<b>1,553</b>		<b>- (109)</b>	<b>7,713</b>
<b>Expendable endowment</b>							
Benefice Houses	56,338	-	-	1		-	56,339
<b>Permanent endowment</b>							
Stipend Capital Account	15,224	20,740	-	1,840	(19,101)	- (310)	18,393
Unapplied Total Return					19,101		19,101
Endowments for ministry in parishes	-	3,920	-	(4)		-	3,916
	<b>15,224</b>	<b>24,660</b>	<b>-</b>	<b>1,836</b>	<b>-</b>	<b>- (310)</b>	<b>41,410</b>
<b>Total endowment funds</b>	<b>71,562</b>	<b>24,660</b>	<b>-</b>	<b>1,837</b>		<b>- (310)</b>	<b>97,749</b>
<b>Grand totals for all funds</b>	<b>91,952</b>	<b>34,015</b>	<b>993</b>	<b>4,805</b>		<b>(887) (2,439)</b>	<b>128,439</b>



SALISBURY DIOCESAN BOARD OF FINANCE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

**28. Prior year statement of financial activities for the year ended 31 December 2020**

2020	Unrestricted general	Unrestricted designated	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
	£,000	£,000	£,000	£,000	£,000	£,000
<b>Income and Endowments from</b>						
Donations:						
Parish Share	9,604	-	-	-	9,604	10,354
Archbishops' Council & Church Commissioners	207	-	484	-	691	592
Other donations	163	-	267	-	430	374
Charitable activities	79	-	604	-	683	771
Other activities	684	-	-	-	684	663
Investments	139	16	280	484	919	1,100
<b>Totals</b>	<b>10,876</b>	<b>16</b>	<b>1,635</b>	<b>484</b>	<b>13,011</b>	<b>13,854</b>
<b>Expenditure on</b>						
Raising Funds	98	-	63	-	161	169
Charitable activities	13,099	160	896	-	14,155	14,296
Other	208	-	-	-	208	170
<b>Totals</b>	<b>13,405</b>	<b>160</b>	<b>959</b>	<b>-</b>	<b>14,524</b>	<b>14,635</b>
<b>Net income/(expenditure) before investment gains</b>	<b>(2,529)</b>	<b>(144)</b>	<b>676</b>	<b>484</b>	<b>(1,513)</b>	<b>(781)</b>
Net gains/(losses) on investments/ property/glebe	(315)	32	372	211	300	2,661
<b>Net income/(expenditure)</b>	<b>(2,844)</b>	<b>(112)</b>	<b>1,048</b>	<b>695</b>	<b>(1,213)</b>	<b>1,880</b>
<b>Gross transfers between funds</b>	<b>1,139</b>	<b>139</b>	<b>(794)</b>	<b>(484)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains / (losses)</b>						
Pension Movement	-	-	-	483	483	2,482
<b>Net movement in funds</b>	<b>(1,705)</b>	<b>27</b>	<b>254</b>	<b>694</b>	<b>(730)</b>	<b>4,362</b>
<b>Total funds brought forward</b>	<b>4,868</b>	<b>468</b>	<b>26,883</b>	<b>94,177</b>	<b>126,396</b>	<b>122,034</b>
<b>Total funds carried forward</b>	<b>3,163</b>	<b>495</b>	<b>27,137</b>	<b>94,871</b>	<b>125,666</b>	<b>126,396</b>

SALISBURY DIOCESAN BOARD OF FINANCE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

**29. Prior year fund movements**

2020	As at 1 January 2020 £,000	Income £,000	Expenditure £,000	Transfers £,000	Pension movement £,000	Gains & Losses £,000	As at 31 December 2020 £,000
<b>Unrestricted funds</b>							
General	4,868	10,876	(13,405)	1,139	-	(315)	3,163
<b>Designated funds</b>							
Clergy Conference	45	-	-	33	-	-	78
Aldhelm Mission	239	8	(8)	-	-	16	255
Ordinands Support	-	-	(118)	118	-	-	-
Crompton	184	8	(34)	(12)	-	16	162
Pastoral & Development Designated	-	-	-	-	-	-	-
<b>Totals for designated funds</b>	468	16	(160)	139	-	32	495
<b>Totals for unrestricted funds</b>	5,336	10,892	(13,565)	1,278	-	(283)	3,658
<b>Restricted funds</b>							
Pastoral & Development (DPA)	24,855	67	(158)	(221)	-	254	24,797
Stipend Income Account	-	764	(64)	(700)	-	-	-
The Sudans							-
Sudan General / Relief & Development	66	176	(120)	-	-	-	122
Sudan Medical Link	67	32	(72)	-	-	-	27
Sudan Juba School	32	40	(48)	-	-	-	24
Milton Abbey	(109)	15	(30)	124	-	-	-
Latvia	(3)	-	-	-	-	-	(3)
Diocesan Choral	14	-	(1)	-	-	-	13
RME	12	294	(271)	-	-	-	35
IME pilgrimage	6	-	-	-	-	-	6
Strategic Development Funding	1	191	(191)	-	-	-	1
Ministry in parishes	1,942	52	3	-	-	118	2,115
Bishops' Office Equipment	-	-	-	-	-	-	-
Music	-	4	(7)	3	-	-	-
<b>Totals for restricted funds</b>	26,883	1,635	(959)	(794)	-	372	27,137
<b>Expendable endowment</b>							
Benefice Houses	56,019	-	-	-	-	-	56,019
<b>Permanent endowment</b>							
Stipend Capital Account	34,956	388	-	(388)	483	(10)	35,429
Endowments for ministry in parishes	3,202	96	-	(96)	-	221	3,423
	38,158	484	-	(484)	483	211	38,852
<b>Total endowment funds</b>	94,177	484	-	(484)	483	211	94,871
<b>Grand totals for all funds</b>	126,396	13,011	(14,524)	-	483	300	125,666

SALISBURY DIOCESAN BOARD OF FINANCE  
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**30. Prior year summary of assets by fund**

2020	Fixed assets			Cash	Creditors		Net assets
	Tangible	Investments	Current Assets excl cash		Current liabilities	Long term liabilities	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Unrestricted funds</b>							
General	<b>2,041</b>	<b>2,324</b>	<b>669</b>	<b>1,034</b>	<b>(410)</b>	<b>(2,495)</b>	<b>3,163</b>
<b>Designated funds</b>							
Clergy Conference	-	-	-	78	-	-	78
Aldhelm Mission	-	255	-	-	-	-	255
Ordinands Support	-	-	-	-	-	-	-
Crompton	-	255	-	(93)	-	-	162
<b>Totals for designated funds</b>	<b>-</b>	<b>510</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>495</b>
<b>Totals for unrestricted funds</b>	<b>2,041</b>	<b>2,834</b>	<b>669</b>	<b>1,019</b>	<b>(410)</b>	<b>(2,495)</b>	<b>3,658</b>
<b>Restricted funds</b>							
Pastoral & Development (DPA)	19,952	3,362	361	1,213	-	(92)	24,796
Stipend Income Account	-	-	-	-	-	-	-
The Sudans							
Sudan General / Relief & Development	-	-	-	122	-	-	122
Sudan Medical Link	-	-	-	27	-	-	27
Sudan Juba School	-	-	-	24	-	-	24
Milton Abbey	-	-	-	-	-	-	-
Latvia	-	-	-	(3)	-	-	(3)
Choral	-	4	-	9	-	-	13
RME	-	-	-	35	-	-	35
IME pilgrimage	-	-	-	6	-	-	6
Strategic Development Funding	-	-	44	(43)	-	-	1
Bishops' Office Equipment	-	-	3	(3)	-	-	-
Ministry in parishes	-	1,924	-	192	-	-	2,116
Music	-	-	-	-	-	-	-
<b>Totals for restricted funds</b>	<b>19,952</b>	<b>5,290</b>	<b>408</b>	<b>1,579</b>	<b>-</b>	<b>(92)</b>	<b>27,137</b>
<b>Expendable endowment</b>							
Benefice Houses	<b>56,338</b>	-	-	<b>1</b>	<b>(320)</b>	-	<b>56,019</b>
<b>Permanent endowment</b>							
Stipend Capital Account	15,224	19,628	150	1,109	-	(682)	35,429
Endowments for ministry in parishes	-	3,427	-	(4)	-	-	3,423
	<b>15,224</b>	<b>23,055</b>	<b>150</b>	<b>1,105</b>	<b>-</b>	<b>(682)</b>	<b>38,852</b>
<b>Total endowment funds</b>	<b>71,562</b>	<b>23,055</b>	<b>150</b>	<b>1,106</b>	<b>(320)</b>	<b>(682)</b>	<b>94,871</b>
<b>Grand totals for all funds</b>	<b>93,555</b>	<b>31,179</b>	<b>1,227</b>	<b>3,704</b>	<b>(730)</b>	<b>(3,269)</b>	<b>125,666</b>

# Analysis of funds

## Unrestricted funds

Unrestricted funds comprise those funds which are available for application for the general purposes of the DBF as set out in its governing document.

**The General Fund** meets or receives the balance on activities funded by the Parish Share through the Diocesan budget. These activities include principally the costs of stipendiary ministry in the parishes of the Diocese, including clergy housing, as well as all Diocesan activities in support of parish ministry. The general fund also meets all governance costs.

**The Clergy Conference Fund** meets the costs of the clergy residential conference, which is held every three or four years, with the most recent being held during 2017. The Diocesan budget includes a provision each year (£15k in 2021) for the fund, which is then used to meet the conference costs.

**The Aldhelm Mission Fund** was established in 2004, to commemorate, in 2005, the 1300th anniversary of the consecration of Aldhelm as first Bishop of Sherborne. The purpose of the fund is to support new expressions of church in the Diocese and to help fund mission posts. Applications are invited from within the Diocese for projects that connect the church to the wider community for the purpose of proclaiming the gospel.

**The Ordinands' Support Fund** was established by the DBF in 2005, to provide a fund out of which the unpredictable costs of supporting ordinands and their families being sponsored by the Diocese can be met.

**The Crompton Fund** was established by the DBF in 2005, from a generous bequest from Col John Crompton. The fund is used for clergy work-based learning, ministry skills development and special situations.

**The Designated Property Fund** was created in 2021 to hold all properties that are not team vicarages or benefice houses.

## Restricted funds

The income funds of the DBF include restricted funds comprising the following unexpended balances of donations, grants and investment income to be applied for specific purposes:

**Pastoral & Development Fund (DPA)** its purposes are laid down in the Pastoral Measure 1983, the main ones being:

- to meet costs incurred for the purposes of the Measure or any scheme or order made by the Measure except for salaries of regular Diocesan employees.
- to meet costs of disposing of or maintaining houses or churches vested in the DBF or Church Commissioners.
- for transfer to the DSF Capital or Income Funds.

The DBF uses the fund principally for capital housing costs, redundant churches and for grants and loans to parishes for capital projects.

**Stipend Income Account** receives the income arising from the Stipends Fund Capital Account and other income restricted to provide for stipends of clergy in the Diocese. As so far this has always been less than the cost of stipends, the income has always fully expended with no balance carried forward.

**The Sudan Funds** constitute the funds of the DBF established to promote and manage the link between the Diocese of Salisbury and the Episcopal Church of the Sudan (ECS) which was established in 1973. The detailed management of the Sudan Funds is delegated to the Diocesan Sudan Committee which reports to the DBF and is represented on it. The Committee's activities are channelled through four separate funds:

- Sudan General Fund's primary purpose is the theological education and education more generally of Sudanese, both through supporting individuals in their training for ministry, and also the institutions and schools providing such training and education. The general fund also receives and passes on donations from parishes in the Diocese of Salisbury which have established links with the Church in Sudan, mainly through visits from Sudanese bishops and other clergy.
- Sudan Relief & Development Fund provides relief aid and grant aid for development projects.
- Sudan Medical Link Fund was established in 1986 through an initiative of Mrs Jill Baker. It funds and ships medical supplies into clinics in Sudan and supports training for health workers.
- Sudan Juba Fund looks after Juba School channelling money into support of the school.



**Milton Abbey Fund** pays for the general maintenance costs of Milton Abbey and St Catherine at Milton Abbas. Grant income is sought for larger projects.

**Latvia Fund** holds the funds received to promote the Diocesan link with the Evangelical Lutheran Church of Latvia.

**Diocesan Choral Fund** dates from 1861 and holds the funds of the Group engaged with the running of choral festivals and the promotion of high standards of church music in the Diocese. The detailed management of the fund is delegated to the Diocesan Choral Group which reports to the DBF.

The fund was closed during the 2021 and money transferred to the Aldhelm Fund where it will be used for the promotion of church music.

**Bishops' Office Equipment Fund** was established in 2007 following the Church Commissioners decision to devolve certain responsibilities for bishops' office equipment and IT support to Dioceses. This responsibility was accompanied by funding which is restricted to this specific purpose and an annual grant in future years is anticipated to cover the DBF's costs in this area.

**Other Restricted Funds** are a number of trusts for, or to support ministry in parishes.

## Endowment funds

Endowment funds represent those assets which must be held either long term or permanently by the DBF.

### Expendable Endowments

**Stipend Capital Account** Adoption of total return in principle with regards to investments held in the endowment fund Stipend Capital Account was agreed by Bishop's Council in 2021. Under the Diocesan Stipends Fund (Amendment) Measure S104b of Charities Act 2011 the Stipend Capital account may be split into capital funds and unapplied total return.

The DBF is permitted to allocate monies from the unapplied total return element, such sums as the DBF see appropriate for the benefit of stipends or stipend-related costs provided that the DBF exercises its statutory duty to be even-handed as between present and future beneficiaries and that it maintains its unapplied total return at a level to ensure it remains positive after having due regard to the volatility of the investment markets. The DBF's objective is also to maintain the value of capital funds in real terms.

A transfer of £19.1m has been made to Unapplied Total Return in 2021 leaving £18.4m in the Stipend Capital Accounts as funds that must be held as investments for the future.

**Benefice Houses** This represents the value of the benefice houses in the Diocese. When, following pastoral reorganisation, benefice houses are no longer required they are transferred either to the Pastoral and Development fund or to the Stipend Capital account according to the decision of Bishop's Council.

### Permanent Endowments

The DBF holds a number of permanent endowments to support parochial ministry.

## Analysis of transfers between funds

Transfers 2021		General Fund	Designated Property	Stipend Income	Stipend Capital	Unapplied Total Return Capital	Endowment for Parish Ministry	Restricted for Parish Ministry
		£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Positive = payment</b>								
1	Stipend income account transfers Income to General Fund	(862)		862				
2	Payment for Clergy Conference	15						
3	Payment General Fund Ordinands maintenance	165						
4	Crompton Fund transfers £20k to General Fund for clergy wellbeing	(20)						
5	DPA pays for ingoing works and major repairs	(333)						
6	DPA transfers £1.5m to support General Fund	(1,500)						
7	Property DPA transferred to Designated Property Fund		(18,388)					
8	General Fund pays for expenditure maintaining Milton Abbey	18						
9	DPA pays Benefice House Fund in order to clear inter-fund loans							
10	Stipend Capital transfers £19.1m to unapplied total return				19,101	(19,101)		
<b>Transfer investment income</b>								
11	From Stipend Capital Fund to General for Stipends	(353)			353			
12	From Endowment for parish ministry to General Fund	(100)					100	
13	From Restricted parish ministry to General Fund	(53)						53
<b>Clear balances</b>								
14	Choral fund has closed and transfers balance to Aldhelm							
15	IME Pilgrimage- fund no longer required	(6)						
16	Rural hope - clear small balance	(1)						
17	Latvia Fund balance cleared from General Fund	3						
18	General Fund credited with balance on Music Fund	(13)						
<b>Total</b>		<b>(3,040)</b>	<b>(18,388)</b>	<b>862</b>	<b>19,454</b>	<b>(19,101)</b>	<b>100</b>	<b>53</b>

Benefice House	Clergy Conference	Ordinands Support	Crompton	DPA	Milton Abbey Fund	Latvia	Music	Aldhelm	Choral	IME	Rural Hope	Total
£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
												-
	(15)											-
		(165)										-
			20									-
				333								-
				1,500								-
				18,388								-
					(18)							-
(320)				320								-
												-
												-
												-
												-
								(15)	15			-
										6		-
											1	-
						(3)						-
							13					-
(320)	(15)	(165)	20	20,541	(18)	(3)	13	(15)	15	6	1	-

# Pensions

## Lay staff

### Church Workers Pension Fund (CWPF)

DBF participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. **the Defined Benefits Scheme**
2. **the Pension Builder Scheme**

### Defined Benefits Scheme

The Defined Benefits Scheme (DBS) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions.

They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool. The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme.

A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m. The next actuarial valuation is due at 31 December 2022.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 29.9% of pensionable salary. This has been reduced to reflect the fact that the Salisbury part of the scheme is in credit.

### Pension Builder Scheme

Salisbury DBF participates in the Pension Builder Classic section of the Pension Builder Scheme.

*Pension Builder Classic* provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

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



The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and 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 valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the DBF chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time. The Diocese of Salisbury is in a surplus situation.

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

## Clergy personnel

### Clergy Pension Scheme

The membership figures that we hold as at December 2020 and December 2021 for Salisbury DBF are set out in the table below. These are used as part of the DBF's calculation of the deficit contributions in payment at each year-end, which in turn feed into the FRS102 calculations, so are provided here for reference.

	December 2021	December 2020
Number of members at this Responsible Body	178	193

The DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body 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 it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme.

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

- 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 seven and an initial addition to mortality improvements of 0.5% p.a.

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

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.

Percentage of pensionable stipends	2021	2020
Balance sheet liability at 1 January	682,000	1,165,000
Deficit contribution paid	(327,000)	(548,000)
Interest cost (recognised in SoFA)	1,000	10,000
Remaining change to the balance sheet liability* (recognised in SoFA)	(46,000)	55,000
<b>Balance sheet liability at 31 December</b>	<b>310,000</b>	<b>682,000</b>

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

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.

	December 2021	December 2020	December 2019
Discount rate	0.0%	0.2%	1.1% p.a
Price inflation	n/a	3.1%	2.8% p.a
Increase to total pensionable payroll	-1.5%	1.6%	1.3% p.a

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





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