

Diocese of Salisbury

Annual Report and
Accounts 2022



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The Diocese of Salisbury

From the North Wessex Downs to the Jurassic Coast

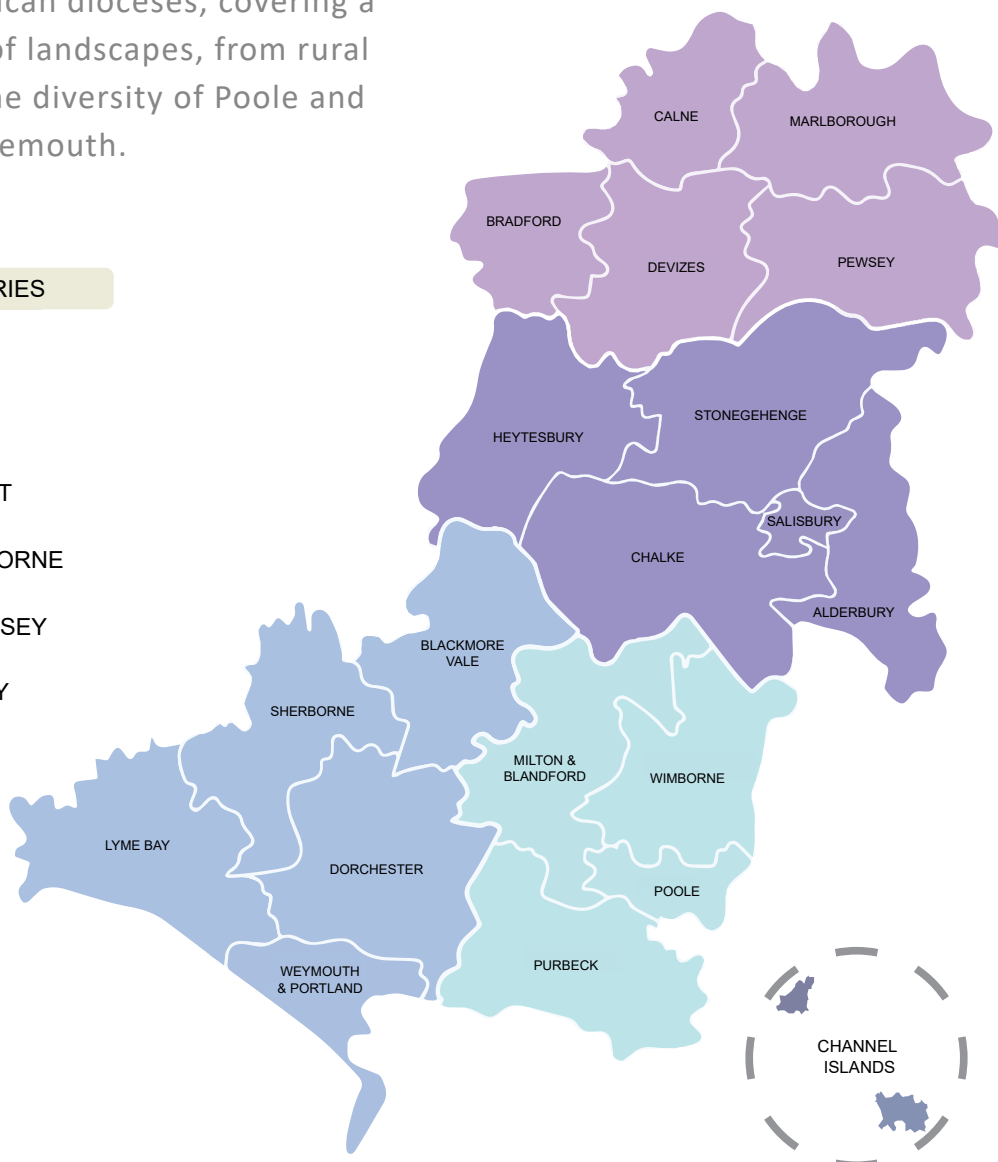
The Diocese of Salisbury is a Christian community of churches, schools and chaplaincies serving one million people, stretching over 2000 square miles, from North Wiltshire to the Jurassic Coast and Channel Islands.

We're one of the most geographically diverse Anglican dioceses, covering a wide range of landscapes, from rural villages to the diversity of Poole and North Bournemouth.

For more than 1,300 years we have been a regional presence of the Church of England, with a history of serving our communities. Today, as always, we are committed to encouraging people to explore their faith in Jesus Christ and discover how God's love can transform lives.

ARCHDEACONRIES

- WILTS
- SARUM
- DORSET
- SHERBORNE
- GUERNSEY
- JERSEY





Introduction from The Rt Revd Bishop Stephen Lake, Bishop of Salisbury

Early in 2022 came the announcement that I was to be the new Bishop of Salisbury. From the very first day, as I returned home to the diocese under crystal clear skies, I wanted to set my future ministry firmly in the context of our future lives together, as Christians seeking God's Kingdom. Both on that first day and since, I spent time with children and young people talking about our future and have had the privilege of seeing not only young lives being shaped by our Christian distinctiveness but also by the professional gifts of our outstanding teachers. I have seen so much new life emerging across the diocese in our churches, in our schools and our work with partners, as I have spent the months since beginning my public ministry in June in visiting as many parishes and schools as I can.

I have found much joy still in being here, returning to the place where I was born and found faith. Thank you to you all for welcoming me so warmly. That welcome of course now extends to the Channel islands who have become attached to the diocese, bringing a new sense of belonging and hope for the future.

A particular thank you to Bishop Karen, who acted for many months as diocesan Bishop, working to sustain the diocese through challenging times. I am very grateful for her steady leadership and the wisdom she has shared with me.

Yet, 2022 has been for us all a really challenging year too, with seemingly relentless change; the war in Europe, parliamentary turmoil and new prime ministers, the death of HM The Queen and the cost of living crisis. The first of these post-Covid years has been anything but a relief. As the world rushes on, we need to remember the change and the trauma we have all experienced, and the impact that has had on us individually and in our church communities. My heartfelt thanks go to the many, many volunteers who have continued throughout working to support not only the life of our churches, but the wider life of communities across the diocese,

I am often asked what is my greatest challenge as bishop? I would point to two things that are linked. The first is that I continue to be surprised by how some Christians treat other Christians. The way in which we judge or 'other' one another is not a clear sign of the Kingdom. And then there is the financial challenge we face, in common with many other dioceses and charities, particularly post Covid. As we look and plan for the next decade, we want to reach out to people across our diocese in new ways and for that to happen, we all need to support each other generously, with compassion.

As we develop our future in witness to Jesus Christ, we must continue to hold these challenges before us.

I pray for every blessing on us all in 2023.



Introduction from David Pain, Diocesan Secretary

2022 will be remembered as the year of three Prime Ministers, two Monarchs and one new Bishop of Salisbury. Signs and symbols of change are all around us. In times of great economic and political uncertainty, I am very grateful to everyone who has contributed with time and money to the work illustrated in this review.

Through the management of historic assets and careful stewardship of your parish Share contributions we support the ministry of the diocese with priests and lay ministers. My colleagues have continued to provide a wide range of support services: maintaining clergy homes, ensuring our churches are safe places for all, guiding how church buildings are adapted for mission, enabling the governance of the church, and supporting fundraising and communication. With national funding we were able to help churches provide a warm space in their communities.

The costs of administration to enable all of this represents 7% of our expenditure which is very modest for a charitable organisation.

Bishop Stephen is leading a review of the diocesan vision and plan and we are preparing for forthcoming change with a shift in our culture and ways of working: becoming simpler, humbler, bolder.

Like any move, packing up to leave Church House has led to reminiscing over fond memories to be cherished as well as dusty discoveries! In 2023 we are moving in with colleagues from Diocesan Board of Education at Wilton. As a sign and symbol of a changing church and a changing pattern of work we will deepen collaboration and reduce costs and carbon.



The Rt Revd Karen Gorham, Bishop of Sherborne

2022 has been a year of encouragement and, whilst return to a regular church routine has been slow, there have been many new initiatives, particularly congregations connecting with families and offering outreach ministry to the local community. Archdeacon Penny, Antony and I have celebrated new serveries being installed, many lay ministers being commissioned and an increase in confirmation services and candidates. We have been able to support 20 benefices in vacancy and rejoice in 12 successful new fulltime clergy appointments being made, and the development of two new hospital chaplaincy teams. The Sherborne Office, at Ash Farm, continues to support the work of clergy and church wardens, by arranging clergy ministry reviews, processing Permission to Officiate applications from retired clergy (24 new applications and 45 renewals) and dealing with, our often complex, diary engagements.

It was good to see local churches responding so pastorally to the sad death of Queen Elizabeth II, and how together church and civic leaders gathered across the county to mark both her death and the acclamation of our new king.

A number of Dorset churches have celebrated particular achievements including churchyard extensions in Sandbanks, Puddletown and Witchampton, St Mark's Helston marked 150 years and the Poole Christian charity Roots to Routes opened its new building. Stepping back from being Acting Bishop halfway through 2022 has enabled me to inhabit more of a local role again, although wider church and diocesan responsibilities occupy a great deal of episcopal time, including a joyful Lambeth Conference, a reminder to all of us of our broader calling to serve God's world.



The Rt Revd Andrew Rumsey, Bishop of Ramsbury

'What is the church for?' This was a question (from a 12-year-old student at Wyvern St Edmunds Academy in Salisbury) that heralded the start of 2022 for me as bishop – and one

which I pondered regularly amidst a year in which successive momentous occasions were held in the steady pastoral hands of our local churches.

The arrival of some seventy Sudanese and South Sudanese bishops and their spouses following the Lambeth conference in August was a particular highlight for me, having prepared in a stop-start way for this since 2019. New friendships were forged, and much mutual learning went on during that week, for which we continue to be grateful.

Driving around our market town churches on the day after the death of Her Majesty the Queen, I was impressed again by the way in which our communities respond readily and lovingly at times of loss and change.

Among our church life are many markings of significant anniversaries (last year, the twentieth year of the White Horse Team in Westbury and the three-hundredth of Great Wishford Primary School, among others), and in these ways also we process what is taking place and offer it all to God.

No less so with the growth of our children – and the year was marked by substantial numbers of young people coming to Confirmation. In one busy week last summer, over one hundred such candidates came forward, many from independent schools in Wiltshire, after careful preparation by our excellent chaplains.

With so much in church life that presses upon our ministers and volunteers, the year nevertheless concluded with ample evidence that 'what the church is for' – sharing the life of Christ locally in ways that people can see and feel – rises yet to the surface and overflows with great thanksgiving to God.

Shaftesbury and Sherborne hub work

The Diocesan Children and Young People's (CYP) team has been working with church and school leaders in Sherborne and Shaftesbury to enable them to work together across their communities meeting the needs of children, young people and families, within a Community Hubs project.

The Community Hubs key focus is to enable the expression of vibrant faith in action: Jesus said to see through children's eyes: thus each project springs from ongoing school consultations and is driven by CYP as agents of change with the aim of understanding and sharing learning about how church, school and households can work together to explore, share and live out faith.

This work has been chosen as one of 12 national Growing Faith Learning hubs. To understand and share learning about church, school and household working together across communities to explore, share and live out faith.

The new provision achieving this includes:

Community Action: In Shaftesbury a Gazebo Village on a local housing estate was the focus of a DreamScheme providing opportunities for

families to come together engage in reflection, learning and community action. It included a prayer space, work at a community allotment, litter picks, and craft for the local hospital. Relationships were nurtured between CYP, parents, community and church volunteers showing that all are welcome, and all bring their unique gifts that can be used for the common good.

Building CYP's voice and agency: In Sherborne CYP inspired the Town Council and over 60 local stakeholders to support them to form a youth council to co-create young person and family friendly plans, activities and environment projects, drawing on pupil & parents' opinion from across local schools and the church community. This is enabling young people to feel valued and consider each other's needs.

Wellbeing and Mental Health: In Shaftesbury advisers have trained 50 school students as peer mentors to increase pastoral support and encourage pupils to spot the Christ light in each other

Chaplaincy

Chaplaincy, both nationally and in the diocese continues to develop and grow in exciting and encouraging ways. As a diocese we have been exploring how to better support, resource and develop this critical and invaluable ministry, recognising the often unseen but incredible range of people, both lay and ordained, who are faithfully and consistently coming alongside people where they are – which is almost always outside the walls of the inherited church within an ever-increasing variety of contexts. From hospitals, care homes, the emergency services, the law courts, police, the deaf and hard of hearing community, the military, schools, university, town centres and shops, charities, businesses and the farming and agricultural community and more.

One area in particular that has been developing over the course of the year has been agricultural chaplaincy. Supported





by funding from the Aldhelm Mission Fund the team, which is present at the Salisbury Livestock Market every week and headed up by Richard Kirlew, has been growing.

As Richard explains: “There is a real sense that chaplaincy is gaining momentum. Having been consistently present over a significant period of time there is a huge acceptance [of chaplains] now. Farmers and market staff alike are articulating how much they value us and miss us when we are not there. With all the issues farmers have to face – from financial through to mental health or isolation - it’s very important for us to be there. And particularly now with the flux that the farming community faces. People are coming to talk about the issues they are facing, and we are really seeing chaplaincy take off.”

Alongside this in his capacity as Rural Mission Enabler Richard Hancock is working with Richard, Tony Gilbert and Steve Mullins, exploring the wider development of agricultural chaplaincy across Dorset. The threads are coming together in what is a very exciting time for this invaluable ministry.

Hospitality and generosity

The diocese, with thanks to funding from the national church, gave grants to 90 parishes to contribute towards the cost of running a warm space in their church or church building. Churches who didn’t apply for funding towards

a warm space were given a small grant towards their own heating costs over the winter..

In Burbage, All Saint’s Church joined forces with the parish council to open up a Warm Space in their village hall called “Fill the Gap”. Their aim was not just to provide a warm space, but also to offer a place where the community could gather together, eat, and enjoy each other’s company.

The Revd Dr Colin Heber-Percy, Team Vicar of All Saints, said: “It’s been an enormous success. The collaboration aspect has been wonderful because it’s the community and the church coming together – fusing together in a meaningful and positive way.”

Earlier in the year, several clergy and parishioners opened their homes to refugees from Ukraine. Some clergy houses were also made available to house refugee families. The hospitality and generosity of so many people across the diocese was inspiring as people responded to Jesus’s words ‘Truly, I say to you, as you did to one of the least of these my members of my family, you did it to me’.

Flourishing Lay Ministry

Lay ministry is flourishing in all corners of the diocese, supported by Karen Hutchinson as Lay Ministry Development Officer, Steve Inglis as Mission Coordinator and the Parish Support team. 108 people were equipped for vital ministry in their churches in 2022 through the Lay Pastoral Assistant and Lay Worship Leader courses, and eight completed the CMS Pioneering course, hoping to be commissioned as Lay Pioneers in 2023 to grow and lead new worshipping communities as part of the *mixed ecology of the local church.

One said: “This course has challenged my understanding of the relationship between Pioneer mission and the traditional church. It has helped me to understand the challenges, barriers and opportunities Pioneers face.”

Another said: “Here are some words that come to mind as I travelled the journey of the CMS Pioneer Course 2022: profound, challenging, unfathomable in areas obvious in others, exciting, thought provoking, on the edge and a real blessing.

“I am thrilled that the Church of England is doing something creative to bring people to Jesus, and so glad the church is thinking outside the box.”

Karen also oversees the discernment and training of Licensed Lay Ministers, delivered by the Sarum College team through a mix of online tutorials, local practice, and a termly residential. Four new lay ministers were licensed in September 2022, and a larger number of people are currently exploring training for this ministry in response to the vocational events held online in Autumn 2022.

Steve leads the opportunities for chaplains, lay and ordained, to network and learn from each other, and a stimulating day conference was held in November 2022 as we recognised the ‘frontline’ missional presence of chaplains in many different contexts.

Bishop Karen and Karen Hutchinson wish to thank all those who support, encourage and exercise Lay Ministry across the diocese including the local tutors, mentors and those involved in discernment.

Vocations

In recent years the national church has changed the lens through which it looks to discern lay and ordained leaders. The impact of this is just beginning to be seen in those taking up posts as curates and LLMs. The new shared discernment framework now looks at how six qualities are lived out in a person’s life. See these six qualities on the next page.

When we work with someone exploring a calling to be ordained, we look to see what each of the six qualities mean for them in four directions of their lives or ‘domains’:

- As a follower of Christ,
- within the church,
- in the world
- in themselves.

So, for example we might look to hear how someone reveals their love for God in the domain of the world and it should be ‘whole heartedly, generous and attractively engaging with God’s world’. One of the reasons for this change is to make sure we don’t miss the calling in people who don’t come in standard ‘vicar shapes’. Two of the questions would be useful for everyone in a church to explore:

1. Are there people who reveal some of these qualities but might not see themselves as vicar or lay leader material, but with some encouragement should explore their vocation further?
2. What if every church congregation were to spend some time thinking how it lives out these qualities? If it were to become second nature to order mission and ministry around these, the next time you are looking for a vicar, you will be singing from the same hymnsheet!

In 2022, using the new framework, the diocese worked with 46 people who are at various stages of exploring how their vocation might lead to a licenced lay or ordained ministry. In July 2023 we are hoping to ordain ten people as deacons and 12 as priests.



Qualities for Discernment

(NOT 'Criteria' for 'Selection')

Inhabit the Qualities

Always more work to be done!

welcome!
Home for a lifetime

Ongoing deeper formation



- ① Love for God.
- ② Call to Ministry.
- ③ Love for People.
- ④ Wisdom.
- ⑤ Fruitfulness.
- ⑥ Potential.

4 Dimensional living.

- Outward looking
- Engaged with God's world
- Shows God's compassion
- Can share faith

World

Christ

- Commitment to Christ
- A disciple
- reliant, responsive to being shaped by Xc

Church

- College of ministers
- Formed by the Body
- rooted in scripture
- worship
- Collaborative.

Self.

- Prayerful
- Integrated, stable, resilience
- Fit & safe to practice.
- self aware.

Rural Hope

2022 saw the culmination of five years of focused activity on the Rural Hope programme. With the constraints of lockdown over, Rural Hope saw an amazing flourishing of missional initiatives. Local rural ministry teams across the diocese, with the support of the Rural Field Officers and putting to good use what they had learned through Thrive and Flex, established a total of 23 new worshipping communities (over the original target of 6), attracting 324 regular new worshippers with no previous experience of church (the target was 228).

Over the course of Rural Hope, 46 ministry students took part in the Rural Training Pathway at Sarum College, from a target of 24. Regular feedback has reported high levels of satisfaction with those now in rural ministry stating that the Pathway provided essential insights into the peculiarities of ministering to rural multi-parish benefices and their local communities.

Each year in July, under the auspices of Rural Hope, all the final year (IME6) curates have undertaken rural placements across the diocese (including the Channel Islands). For many it was a chance to see how another rural benefice operates. For those from more urban areas, these placements have proved a revelation and led to them pursuing first posts of responsibility in rural areas.

The five young people who undertook rural placements as part of the Ministry Experience Scheme all reported a profound impact on their discernment of their calling. Three have progressed into the ministry selection process, one has become a cathedral verger and the fifth is considering a future in diocesan administration in the longer term.

A key emerging theme in terms of Rural Hope activity has been an increasing focus on the environment. Outdoor forms of church that began as a necessity during lockdown grew in scope and diversity during 2022. One reason is their appeal to families concerned



with green issues and the opportunities they provide for young people to take on leadership roles. A good example of this is the lay-led Muddy Church in Pewsey which involves a guided reflective walk and linked God-centred activities. As a regular worshipper says, 'It helps me connect with God through creation.'

Parish Support

The Parish Support team is a first point of contact to our parishes across the diocese – we help people to book onto training courses, complete forms, find contact details or information, respond to List Bs and faculty enquiries and applications, help with Church Representation Rules and other synodical governance enquiries, and we listen to your feedback. The team also supports DBF staff with matters of human resources, IT, health & safety and office management.

During 2022, we have been working with others to simplify the governance structures of the diocese and the DBF to ensure they are more transparent, simpler and that they clarify responsibilities and accountabilities. As part of this process we are reshaping governing bodies from 37 to around 19.

Here is just some of the support we provided to parishes in 2022:

- Each week, received and responded to over 200 calls and emails from parishes and the general public requiring assistance and support
- Supported over 1,300 participants with booking and attending 122 safeguarding and continual ministerial development (CMD) courses
- Working with the Safeguarding team, supported almost 800 Lay Worship Leaders and Lay Pastoral Assistants with renewing their DBS checks and safeguarding training
- Supported our 432 parishes to submit Mission and Finance Statistics Returns
- Provided advice and support to parishes about their responsibilities around Annual Parochial Council Meetings
- Organised and provided administrative support for Diocesan Synod, Bishop's Council and other key governing bodies, as well as for Clergy and Archdeaconry Days
- Provided advice and resources to help parishes with elections for more than 1,300 lay deanery representatives at elections to be held early 2023

- Annually the team liaise with PCC secretaries to review and update the details of over 3,000 key parish roles as part of the 'Parochial Information Form' process.

- The Church Buildings team (CBT) and Diocesan Advisory Committee (DAC) reviewed 119 faculty applications in 2022. In the last few years, the CBT has worked with parishes and the DAC to improve the quality of faculty applications and this means that 8 in 10 are now progressed (in 2019 it was just 6 in 10).

- Using delegated authority, the Church Buildings team approved a further 19 applications, making the process easier and quicker for parishes.

- We assisted clergy and parishes exploring options and possibilities around pastoral reorganisation. In 2022 we supported schemes to form a new parish of the Gussages in the benefice of Knowlton Circle and to dissolve the benefice of the Bridge Parishes and reallocate its constituent parishes to neighbouring benefices. We also supported bishop's pastoral orders to terminate the Bridport and Valleys Group Ministry and to rename the benefice of Hampreston and Ferndown.

- Our Ramsbury and Sherborne offices have been supporting the daily administration for the Bishops and Archdeacons, including being a point of contact for churchwardens and clergy seeking information on churches, faculties, or pastoral re-organisation. The offices looked after appointments of clergy and licensing, PTOs for retired clergy moving into the area, the upkeep of contact information, managing parochial vacancies, issuing Statements of Particulars, ensuring pastoral support for clergy and their families and coordinating ministry reviews.



Strengthening Safeguarding

2022 was a busy year for the Diocesan Safeguarding Team, with a variety of different challenges throughout the reporting period. In addition to the diocese safeguarding support is also provided to the Cathedral.

During 2022 our priorities were:

Survivors and Victims – listening to, engaging with and learning from those with lived experience of abuse.

Prevention – creating resilient environments to prevent abuse from taking place.

Responding to risk – assessing and managing known Safeguarding risks.

Survivors and Victims

Throughout 2022 we promoted the new Independent Sexual Violence Adviser (ISVA) that the diocese has commissioned on a part-time basis to support church related victims and survivors of abuse. This has proved very successful.

Salisbury is one of only a handful of dioceses now making this dedicated provision available. The National Safeguarding Team currently have an ongoing project to adopt similar arrangements across the country – recognising this as best practice.

Prevention

Developing Safeguarding ‘resilience’ through awareness raising is an integral part of ensuring our parish churches are safe spaces for all. During the past 12 months, the Safeguarding team focused on the theme of Domestic Abuse. During the Covid period it was widely acknowledged that the volume of domestic abuse episodes increased exponentially, yet this was not reflected within the diocese where reported incidents of this

nature were extremely low. As a result ten workshops were run across the diocese (also encompassing the Channel Islands) resulting in some 300+ people receiving the latest updates on this important area of Safeguarding work.

Responding to risk

The diocese became an early adopter of the National Safeguarding Case Management System (NSCMS), the new integrated case management platform within the Church of England. This system will play a significant part in managing risk, ensuring referrals are captured in a high quality, standardised format, with the ability to be able to search records and link them when necessary, as well as being able to readily share referrals with other dioceses and the National Safeguarding Team (NST).

PCR2

In October 2022 the latest independent review of Safeguarding casework and personnel files in the Church of England was published (known as PCR2). Coinciding with this was the release and circulation of the Salisbury Diocese and Channel Islands local PCR2 reviews.

The local reviews, while identifying some areas of development were largely positive, particularly with regards the standard of current case files and investigations.

Channel Islands

With the formal legal processes to link the Channel Islands to the Diocese of Salisbury complete, the Safeguarding team have continued to cement relationships with both Deaneries, making visits to each of the Islands. Safeguarding training and Safeguarding updates were provided to both deanery Chapters.

While Safeguarding provision has undoubtedly improved within the diocese over the last few years, there remains much to be done, as the tactics of those intent on causing harm within our church communities continue to evolve. It

is essential that we strive to remain one step ahead and do everything we can to protect children, young people and adults at risk from abuse.



Giving and stewardship

“We raised £90 in a couple of weeks - and we weren’t even trying!”

This has been a year of trying new ways to encourage giving across the diocese, with many parishes purchasing contactless card readers, and trying online giving and QR codes for the first time. It’s been impressive to see how many parishes have rolled up their sleeves and given it a go, and been surprised with their success.

Stourton PCC and Moreton PCC both raised over £5,000 in 2022 through a Payaz machine, predominantly from tourists and visitors, and St Swithun’s in Bridport raised £90 in the first two weeks after putting in a CollecTin, without actively promoting it! Taking a SumUp to the Church Tent at the Gillingham & Shaftesbury show taught us a lot, including patience and resilience - but we will be doing it again in 2023!

Of course, some churches benefit from tourists more than others, but don’t assume that if you are rural or hard to get to, you cannot encourage people to visit. Many churches are on Ride+Stride routes, and East Chelborough, the sixth smallest church in England, is on a pilgrim route and has begun using QR codes to raise funds from walkers.

This coming year, the Giving Team look to better support you with advice on grant funding; whether it’s for heritage or community projects. Using our church spaces for the benefit of our wider communities, and reaching out to new people, is an intrinsic part of our Christian faith and discipleship. Being able to communicate this, both to funders, and to friends, will be the key to growing God’s Kingdom across the Diocese of Salisbury.

Property and buildings work

In line with managing the parsonage houses and curates houses there have been some 10 changes of occupancy in 2022. As part of ingoing works to these properties there were major refurbishment works carried out to the Watercombe, Stalbridge, Trowbridge, and Tidworth houses.

The Property team looks after about 250 properties and rents out about 35 properties at any one time, (mainly empty properties due to clergy vacancies) bringing in an income of £590,000 during 2022. There are additional costs incurred to refurbish these properties for private rental, however this should result in significant savings on ingoing works when new clergy appointments are made.

There were 3 properties identified for sale in 2022: Whiteparish, Great Wishford and Marlborough, however these did not complete until new year.

The only property purchased in 2022 was 2 Wellington Road, Parkstone, Poole which is to replace the existing eight bedroomed Edwardian benefice house 2 Birchwood Road.

The latter will be sold when the outcome of a planning application to build an additional house on part of the garden is known.

Salisbury DBF Consultancy Ltd

In addition to its statutory core work the Property Department now works with over 60 Voluntary Aided Schools and Academies via a separate Trading Company. The Consultancy hasn't had the easiest of years with a degree of staff turnover caused by skill shortages in the industry, however it has still brought in a fee income in excess of £280,000. The Company is also being used to develop initiatives such as 2 Birchwood Road above. The last winter has demonstrated the difficulties of heating some of our older and larger parsonages.

Partnerships in Schools

The work of the Salisbury Diocesan Board of Education (SDBE) continues to be highly respected by schools and has played a significant part in protecting and developing the Christian character of church schools and in shaping the educational landscape across the diocese, for the greater good of all schools. The importance of supporting headteachers and senior leaders in their formation as spiritual leaders has become a significant focus, including in the summer of 2022, when a conference for school leaders and clergy reflecting on their shared leadership within their communities received great feedback.

Across the year, 800 school and parish leaders attended courses organised by the SDBE; of particular note is the Trust-wide impact of training. For example, one Trust sent 16 church and maintained members of staff on a programme to support leaders in the articulation of vision. In addition, the re-imagining of the way that excellence in Religious Education and collective worship is developed has added additional capacity and momentum to the work of the SDBE.



Ministering to the Gypsy, Traveller and Roma community

In July over 100 Gypsies and Travellers gathered at Kingston Maurwood College in Dorchester for the unveiling of a large 10 foot wooden sculpture called the Legend Pole. The pole was carved by new traveller and chainsaw artist Gary Orange to celebrate the culture of nomadic people in Dorset.

Revd Jonathan Herbert from this diocese is the Church of England's only funded Chaplain to Gypsies Travellers and Showpeople.

He said: "It's great to have a permanent memorial to showcase the rich history of nomadic people in Dorset and it was wonderful to see the pride local Travellers had in the sculpture. It's also great to have a positive story about Travellers as sadly too often the Travelling communities are portrayed negatively in the press.

"Over 80% of Travellers would describe themselves as Christian and it's really important that the church reaches out to these often marginalised and misunderstood communities. Excitingly in June 2023 we will see the launch of Gypsy Roma Traveller Friendly Church which will aim to do this".

Sudans Partnership

2022 was a remarkable year for our Salisbury-Sudans Partnership. In July and August the decennial Lambeth Conference was held in Canterbury where some 700 bishops and their partners from across the Anglican Communion shared fellowship and study at the invitation of Archbishop Justin Welby. From there, some 50 bishops plus their wives from the Episcopal Churches of Sudan and South Sudan travelled to Salisbury for a week of hospitality and fellowship in the faith in our deaneries and parishes.

It was a wonderful to renew old acquaintances and make new friendships with parishes and deaneries from across our diocese from Marlborough to Lyme Bay.

With welcome speeches from Bishops Stephen and Andrew and lunch in the Cathedral School and much photography and animated conversations, we gathered for Choral Evensong in the Cathedral before our guests left for their host's homes and parishes.

There for the next few days, they got to know the joys of Dorset and Wiltshire, the churches, hills, farms, towns and villages and, for many, their first glimpse of the seaside. Long lasting memories were made. Despite the challenges of Covid-19 and remaking return travel plans, enthusiastic, thankful, and abiding friendships continue to bind us together.

These local links are at the heart of our partnership and underpin our medical and education priorities together with our development, and advocacy initiatives for a lasting peace in both Sudans. We pray our partnership will flourish and bring peace, prosperity and love to all our brothers and sisters there.

Salisbury Cathedral

The inauguration of Bishop Stephen's ministry on Sunday 19 June 2022 was one of the highlights of the Cathedral's year. Featuring

a newly-commissioned piece of music by David Halls, our Director of Music; personal welcomes (in Latin!) from two of our Senior Choristers; a processional liturgy which took us to every part of the building; and those gold envelopes, it was an unforgettable occasion.

Only a fortnight later Bishop Stephen returned to the Cathedral to ordain deacons and priests for the diocese for the first time. Two further Diocesan celebrations took place here in the early summer. The first was the series of School Leavers' Services, brilliantly led by Rise Theatre, who persuaded everyone in the building to sing 'Whose planet? God's planet!' with gusto. And then, as the Lambeth Conference ended, Bishops and their spouses from South Sudan joined us for lunch at the Cathedral School and a wonderful Evensong.

It had seemed that 2022 was the year in which normality might return to Cathedral life. It was certainly a huge joy to gather with colleagues from across the diocese to celebrate the Chrism Eucharist on Maundy Thursday (although we missed Bishop Karen, who had succumbed to Covid). But in early September, all sense of normality was lost with the death of Her Late Majesty Queen Elizabeth II. In the ten days that followed more than 7,000 messages were left in our Books of Condolence. Bishop Stephen led the county's mourning in a special service held the day before the state funeral – which was watched on our large screen by more than 700 people. It remains a huge privilege to serve this extraordinarily diverse community.





Channel Islands

The evening of 17 November 2022 was a special moment for the Church of England in the Channel Islands: a service was held in Salisbury Cathedral to welcome the Bailiwicks of Jersey and Guernsey to the diocese. This implemented the recommendation of the 2019 report of the Archbishop of Canterbury's Commission, whose task was to determine where the Islands might best flourish in their future attachment to the wider church.

During Evensong, the Bishop of Salisbury preached and the deans of the two islands were also installed as Canons of the Cathedral. This was witnessed by a large group of visitors from both Islands, including the Islands' Lieutenant-Governors, who are representatives of the Crown.

The Deans, the Very Revds Tim Barker and Mike Keirle, had just completed a pilgrimage from Winchester Cathedral to Salisbury Cathedral, walking along the Clarendon Way. They are members of Bishop's Staff and Bishop's Council. In February 2023, representatives from Guernsey and Jersey attended their first Diocesan Synod for ten years, and received a warm welcome by those present.

Dean Tim said: "For the Islands, this is an opportunity to build new relationships, engage with the wider church and flourish with new friends in Jesus Christ, as we journey together

in proclaiming God's kingdom, here and now. For the Diocese of Salisbury, this is essentially a cost neutral exercise and has only marginal impact on the Diocesan budget. We hope that the Islands' new attachment to the diocese will be an enriching experience for everyone as we learn from one another. We thank the Diocese of Salisbury for your warm welcome!"

Further work

Leadership Training

During May – July 2022, 14 local leaders from the diocese participated in the Future Change Framework a series of workshops led by the RSA (Royal Society of Arts). The focus of the workshops was to empower and build the confidence of local leaders to capture critical insights from the pandemic and take these learnings to inform and shape future decisions that will impact the life of the church and wider community.

Military

The Venerable Alan Jeans, Archdeacon of Sarum and Bishop's Liaison with the Armed Forces, was invited by Bishop Stephen to spend up to a day a week in this role. Alan has been working with the military commanders based in and around the diocese for many years, and Bishop Stephen has asked that the focus should be on developing the military/civilian integration between the military bases and their neighbours in parishes, schools and the wider community; support for veterans; and deepening the links with the Army Cadet Force. Alan received his military MBE for services to the Army Cadet Force in May 2022, from the then Prince of Wales, now our King Charles.

Financial sustainability

By Jane McCormick, Chair, Diocesan Board of Finance

In my first annual review as chair of the Diocesan Board of Finance I would like to take the opportunity to thank my predecessor, Canon Nigel Salisbury, for the work he did to support the professionalisation of the Board and to put us on a 5 year path to eliminating the operating deficit and putting our finances on a sustainable footing. Unfortunately, whilst some things have been achieved, we have not made as much progress on this in 2022 as we would like. The combined impact of Covid and cost of living increases on giving, and of inflation on costs such as property repairs has meant that our share receipts and income on investments held by the Diocese have together been insufficient to meet the cost of clergy stipends, housing costs and other necessary costs of ministry. We have managed to cover the resulting deficit with profits realised on the disposal of assets but obviously this is not something we want to continue to do.

During the year we have taken a lot of action to try and reverse this position. We are reviewing parish share to make it easier for parishes to raise their contributions. We have taken action to improve the income earned from our glebe properties and are considering the disposal of low income producing assets where the proceeds could be better invested. Bishop Stephen's arrival this year gives a renewed energy to the life of the diocese and I am confident that the actions we are taking will support his vision for the future with the solid, sustainable financial underpinning it will need.

Finance

How do we fund ministry and mission in the Diocese of Salisbury?

"As Christians, we seek to respond to the challenges we face together, by resourcing the church to support people and places in need. In the Diocese of Salisbury, all our parishes contribute to Share, which pays mission and ministry costs. Thank you for all you contribute." Bishop Stephen

As you will see from the accounts, we had a deficit of £744k in 2022, and reserves were used to cover

the shortfall in parish share. We are committed to putting ourselves on a sustainable financial footing to secure ministry across the diocese into the future, and respond to the needs of the communities we serve. This will require bold and imaginative solutions. A diocesan plan for the next decade, which will embrace this financial challenge, is being shared in the Spring of 2023.

Income and expenditure

Income: £14.273m

£9.903m

Parish Share (69%)

£2.320m

Parochial fees, donations, grants and other income (16%)

£230k

Overseas mission (Sudans) (2%)

£855k

Investment Income (6%)

£965k

Rental Income and SDBF BC Ltd (7%)

Expenditure: £15.017m

£9.520m

Direct Ministry (64%)

£3.087m

Parish Ministry Support & Fundraising (21%)

£309k

Work with Children and Young People (2%)

£1.121m

Diocesan Administration, IT & Governance (7%)

£506k

National church central costs (3%)

£211k

Overseas mission (Sudans)(1%)

£263k

SDBF BC Ltd (2%)

Diocesan Balance sheet

The balance sheet value has reduced by £2.8m in 2022, as values of investments dropped and reserves had to be used to meet the shortfall in share:

Opening balance

£128.4m

Decrease in investments book value

(£2.6m)

Funding the shortfall in share

(£0.7m) operating deficit of £1.3m reduced by a legacy to a net £0.7m

Other movements

£0.5m

Closing balance

£125.6m

The DBF has funded 17 clergy posts during 2022 as a result of the shortfall in parish share

Despite a reasonably strong balance sheet of £125.6m, £92.8m (74%) is tied-up with clergy property.

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 latter in their 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. Total value of Investments fell by £2.4m which was below our target for growth but reflecting the volatile situation on world markets in 2022.

Custodian trusteeship:

The trustees are custodian trustees for trust financial assets with a market value of approximately £31m on 31 December 2022 (2021 £34m). 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 2022 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 policy:

The trustees' policy is to have a general 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 2022 the general fund free reserves were £0.8m which include some readily realisable investments amounting to £0.4m and cash of £0.4m. This equates to under three months of expenditure which is why the trustees have agreed the use of Total Return.

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 the Trustees intend to use the proceeds from the sale of Church House to pay off the loan.

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.

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.

Structure, Governance and Management

Governing Document:

The Diocesan Board of Finance ('DBF') is a company incorporated under the Companies Acts (section 1 Diocesan Boards of Finance Measure 1925 as amended). It is registered under the Companies Act 2006 and constituted by the Diocesan Synod which elects the directors/trustees. Its memorandum and articles provide that the Bishop of the Diocese is a member, and that the majority of the members shall be lay persons.

The DBF is also a charity registered under the Charities Act 2011.

Recruitment of Trustees:

New Trustees are elected by Diocesan Synod from its membership and a newly created Nominations Committee endeavours to find people with the requisite experience and key skills needed. Trustees are elected for terms of three years, with an extension of up to two further terms. All Trustees give of their time freely. Details of Trustee expenses and related party transactions are disclosed in note 14 to the accounts.

Training and Induction:

On appointment, new Trustees follow a formal induction programme, and the provision of key governance documentation. Ongoing training is provided for Trustees as relevant throughout their term. Training has been provided to ensure Trustees are aware of their responsibilities as both company directors and charity trustees.

Organisational structure:

The Bishop's Council provides leadership and governance to the Diocese. This is a strategic role that involves ensuring oversight, compliance and performance management. The Council meets at least four times per year. Day-to-day responsibility for the running of the Board of Finance is delegated to the Diocesan Secretary. The Diocesan Secretary is supported by an executive management team which contains the appropriate range of skills to ensure competent management of the Board of Finance.

Where are we going from here?

The financial challenge we have in the Diocese of Salisbury is faced to varying degrees by every diocese in the Church of England. Fundamental to the plan for the next decade is ensuring the diocese is on a secure financial footing – doing so means making challenging decisions with courage, confident in our vision of God's Kingdom. The new vision and plan will ensure the diocese is in a good place to secure money from the Church Commissioners to help to fund new projects and forms of ministry. However, the national Church won't fund all the changes we need to make – if we are truly to live out the Kingdom, here and now, then we each need to respond with compassion and generosity, offering all we are and all we have, to God.

Risk Management

The 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.

Our risk management is an organisation-wide function that is embedded within the culture of the DBF. The approach is to involve management and staff at all levels, meeting 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 principal risks and risk 'heatmaps' with the Audit and Risk Committee on a quarterly basis. The DBF Trustees review and satisfy themselves 6-monthly that risk management is rooted 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 provides a level of independent scrutiny and assists the DBF Trustees to fulfil their responsibilities and monitor effectiveness of the risk management framework and associated aspects on a quarterly basis.

The main risks identified are:

- Adverse impact on finances and operations because of the turbulent times.
- A lack of Diocesan vision, engagement, planning and agreed priorities.
- A significant loss of parish share and other forms of income.
- Safeguarding
- Poor IT infrastructure, planning and implementation

1. Adverse impact on finances and operations because of the turbulent times

Households and local churches face escalating costs of energy, uncertainty about income and a cost of living crisis which many have not experienced in their lifetimes. The full impact of inflation on costs for parishes, collectively as a diocese and DBF remain unknown whilst investment performance remains highly volatile making it difficult to forecast investment income with any certainty.

Discussions on Living in Love and Faith (LLF), the Church's response to issues of human sexuality, is impacting relationships between the diocese and particular parishes. Whilst it is too early to gauge the impact of LLF on share income there is the potential for this to have a materially negative impact on income creating more pressure on alternative sources of income. A 1% drop in share income would reduce income by £100k.

Mitigating activities include:

- National church has made funding available to assist with escalating energy costs. The DBF distributed £298k of grants to all parishes to assist with heating bills and offering warm spaces

during the winter, and a further £79k has been made available as a hardship fund to support clergy.

- Expenditure has been rigorously challenged and managed in line with the 2022 budget.
- Incumbent clergy, curate and archdeacon stipends for 2023 have been reviewed in line with recommendations from the Archbishops Council as the Central Stipends Authority and the National Stipend Benchmark (NSB). Staff cost-of-living increase have been aligned with the clergy stipend increase at 4%.
- 2023 budget includes an assumed increase of 25% to building maintenance costs, and 12% on other costs.

2. A lack of diocesan vision, engagement, planning and agreed priorities

The diocese welcomed its new Diocesan Bishop, in June 2022. Since Bishop Stephen's arrival he has met with a wide range of stakeholder groups across the diocese to familiarise himself with the hopes and needs of the worshipping and wider communities.

Significant progress has been made since the appointment of external facilitators to support the vision and strategy process, with a view to share the plan from June 2023 that coincide with the Archbishop of Canterbury's visit to the Diocese of Salisbury.

Therefore in 2023, *it is likely that the risk will no longer be about a lack of a plan, but rather our capacity and willingness to implement it.*

Mitigating activities include:

- Secured funding from the national church to appoint facilitators to support a comprehensive vision and strategy review. This will lead to a business plan to inform the 2024 budget.
- Integral to the plan, is the alignment of mission and ministry with resource deployment.
- The process includes thematic working groups, giving space for voices from the worshipping and fringe communities, to speak into the plan and articulate the role of 'the church' in our communities and contexts.

3. A significant loss of parish share and other forms of income

The rising costs of living has compounded the already worrying landscape of parish share, giving and budget setting. Many of the influencing factors are outside of the DBF's direct control. The parish share model is based on membership of the church, and this has declined by 19% since the pandemic. Share is voluntary and generous giving by the 432 parishes in the diocese and pays for parish ministry and support. One third of benefices meet the Diocesan Synod expectation of share

covering the costs of parish ministry, two thirds are currently subsidised.

Mitigating activities include:

- Parishes that have not paid any share during 2022 were contacted to discuss and encourage some financial contribution towards share. Archdeacons worked with Deanery and Parish

Treasurers to communicate the sense of urgency and importance. A simpler one sheet financial poster has been made available to all parishes to assist with engagement and communication.

- There have been no sales of investments whilst the market is highly volatile.
- Returned a profit on the sale of houses, capitalising on the strong annual house price growth in the South West.
- Appointing an estate agent to manage all rental properties has led to significant increase in rental income.
- The Share scheme review is ongoing with a new or amended scheme to be aligned with the vision and strategy. Parishes have been engaged throughout this process and DBF Trustees are aware of the significant risk that any change to the share scheme may lead to substantial loss of share income.
- As a result of the relocation of the DBF office to Wilton in 2023, office running cost will be shared and therefore reduced with our sister organisation the DBE. The Sale of Church House is expected to achieve a modest cash injection (following the rehousing of 1 tenant with a Rent Act protected tenancy and the relocation / outfitting costs of the Wilton office).

4. Safeguarding

The Diocesan Safeguarding Advisory Panel (DSAP) provides advice, scrutiny and, where necessary, challenge to the Bishop, the diocese and the DBF regarding the safeguarding of children and vulnerable adults. It aims to ensure that both the current statutory and relevant House of Bishops' practice guidance is adhered to by the Bishop and by all diocesan staff and office holders.

Mitigating activities include:

- The diocese participates in a National Church audit scheme as a founding member of the process.
- The diocesan Bishop commissioned an external light touch audit of safeguarding within the diocese in the Summer of 2022 to ensure understanding of current issues, concerns and good practice. This has led to the commissioning of an external IT consultant to research and recommend an end-to-end safeguarding record keeping solution(s), with particular focus around the DBS processes.
- The DBF has temporarily increased safeguarding staffing capacity as it transitions from a 5 to 3-year DBS renewal cycle.
- At the recommendation of the Independent Chair a pilot has been arranged with 11 parishes to trail 'The Dashboard' which is a visual tool that highlights safeguarding as the PCCs responsibility and not just the Parish Safeguarding Officer (PSO) and may make the role more appealing. The Dashboard provides a one stop shop for parishes to ensure they are compliant around safeguarding.
- The DBF is one of the pilot dioceses to implement the safeguarding case management system – MyConcern – which the national church is aiming to rollout nationally.
- DBF continues to work in partnership with external services to support survivors and victims.

5. Poor IT infrastructure, planning and implementation

The rollout of the Diocesan IT programme concluded in 2022 and has been the single biggest IT investment (£330k over 2 years) and transformation experienced by the DBF to date; implementing more than 15 new systems and applications.

Mitigating activities include:

- Following such a period of significant IT change and transformation, the DBF commissioned an external IT audit to review business systems, IT infrastructure and GDPR provision, with particular focus on resilience, reliability, security and compliance. The audit identified 130 recommendations of which 15% are considered high priority. A programme of work is underway to implement the recommendations.
- The diocesan IT support contract has been retendered, and a new provider appointed to improve IT capacity and capabilities as the organisation continue to transform its IT to be modern, flexible, and efficient, serving our churches and schools.
- Adoption of national systems and diocesan IT consortiums, enabling the diocese to move forward as an active part of a developing and modernising Church of England, whilst reducing systems/IT dependencies from small companies that pose a high risk around key person dependency.
- Effective IT governance through the IT Working Group that oversees progress against IT priorities and issues.

GOVERNANCE AND TRUSTEES

Directors and Trustees during 2022

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 2022 and up to the date of signing the report:

The Rt Revd S Lake	Bishop of Salisbury (from April 2022)
The Rt Revd K Gorham	Ex officio, Bishop of Sherborne
Mrs E J McCormick	Ex officio, Chair (from June 2022)
Canon N Salisbury	Ex officio, Chair (resigned June 2022)
The Rt Rev Dr A Rumsey	Ex officio, Bishop of Ramsbury
The Very Rev N Papadopoulos	Ex officio, Dean of Salisbury Cathedral
The Very Rev T Barker	Ex officio, Dean of Guernsey (from November 2022)
The Very Rev M Keirle	Ex officio, Dean of Jersey (from September 2022)
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 & Chair Diocesan Board of Education
Canon A Perry	Ex officio, Chair House of Clergy
Canon D Baldwin	Elected clerical member
Canon G Osborne	Elected clerical member
Canon L Holt	Elected clerical member
Canon 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
Lady S Gooch	Elected lay member
Mr S Waite	Elected lay member (deceased April 2022)
Canon J Curtis	Co-opted clerical member

Principal Officers of the DBF:

Mrs E J McCormick	Chair of the DBF (from June 2022)
Mr N Salisbury	Chair of the DBF (resigned June 2022)
Mr D Pain	Secretary and Treasurer
Mr N Jenner	Director of Finance and Asset management (from September 2022)
Ms E Ashmead	Director of Finance and Asset management (resigned September 2022)

In approving this Trustees' Report, the trustees are also approving the purposes and aspirations 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.

By order of Trustees:

E J McCormick

Jane McCormick - DBF Chair

20th June 2023

REFERENCE & ADMINISTRATIVE DETAILS

Registered Office:	Church House Crane Street Salisbury, SP1 2QB
Website:	www.salisbury.anglican.org
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 Sarasin & Partners Juxon House, 100 St Paul's Churchyard London EC4M 8BU
Glebe Property & Land Agents:	Strutt & Parker 41 Milford Street Salisbury SP1 2BP

AUDIT REPORT

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 2022 which comprise the Group Statement of Financial Activities, the Group Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Statement of Cash Flow 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 group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's and parent 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 group's and parent 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 group and parent 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 parent charitable company; or
- the parent 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 24, 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 group's and parent 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 group or the parent 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. 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.



Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: **28 September 2023**

STATEMENT OF FINANCIAL ACTIVITIES: FOR YEAR ENDED 31ST DECEMBER 2022

		Unrestricted funds		Restricted funds	Endowment funds	Total funds	Total funds
		General	Designated			2022	2021
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income and Endowments from							
Donations:							
Parish Share	2	9,903	-	-	-	9,903	9,697
Archbishops' Council & Church Commissioners	3	273	-	477	-	750	682
Other donations	4	144	1	815	-	960	393
Charitable activities	5	107	-	734	-	841	900
Other activities	6	887	-	78	-	965	740
Investments	7	122	17	299	416	854	891
Total		11,436	18	2,403	416	14,273	13,303
Expenditure on							
Raising Funds	8	170	-	27	-	197	154
Charitable activities	9	12,721	186	1,650	-	14,557	14,375
SDBF BC Ltd	10	263	-	-	-	263	233
Total		13,154	186	1,677	-	15,017	14,762
Net income/(expenditure) before investment gains		(1,718)	(168)	726	416	(744)	(1,459)
Net gains/(losses) on investments/property/Glebe	11	(359)	(69)	(483)	(1,507)	(2,418)	3,860
Net income/(expenditure)		(2,077)	(237)	243	(1,091)	(3,162)	2,401
Gross transfers between funds		766	685	(545)	(906)	-	-
Movement in clergy pension creditor		-	-	-	310	310	372
Net movement in funds		(1,311)	448	(302)	(1,687)	(2,852)	2,773
Total funds brought forward	26	4,003	18,974	7,714	97,748	128,439	125,666
Total funds carried forward	26	2,692	19,422	7,412	96,061	125,587	128,439

The notes on pages 33 to 58 form an integral part of the financial statements.

INCOME & EXPENDITURE ACCOUNT: FOR YEAR ENDED 31ST DECEMBER 2022

	2022	2021
	£'000	£'000
Total incoming resources	13,857	12,850
Resources expended	(15,017)	(14,761)
Operating surplus/(deficit) for the year	(1,160)	(1,911)
Net gains on investments	(911)	1,674
Net income/(expenditure) for the year	(2,071)	(237)
Other comprehensive income:		
Net assets transferred from endowments	906	133
Total recognised gains for the year	(1,165)	(104)

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

All income and expenditure is derived from current activities.

CONSOLIDATED BALANCE SHEET: AS AT 31ST DECEMBER 2022

		Group 2022	Parent 2022	Group 2021	Parent 2021
	Notes	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	16	92,846	92,846	91,952	91,952
Investments	18	31,300	31,300	33,926	33,926
Programme related investments	19	89	89	89	89
		124,235	124,235	125,967	125,967
Current Assets					
Current Assets exc Cash	20	1,556	1,827	993	1,090
Cash at bank and in hand	21	2,680	2,360	4,804	4,547
Creditors: amounts falling due within one year	22	(1,234)	(1,219)	(885)	(854)
Net current assets		3,002	2,968	4,912	4,783
Total assets less current liabilities		127,237	127,203	130,878	130,749
Creditors: amounts falling due in more than one year	23	(1,650)	(1,650)	(2,439)	(2,439)
Net assets		125,587	125,553	128,439	128,310
Representing:					
Funds	26	125,587	125,553	128,439	128,310

The Board does not have a separate revaluation reserve as the historic cost of most 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 £34k less than the Group, representing gift aided profits not yet paid over. (2021 £129k).

E J McCormick

Jane McCormick - DBF Chair

20th June 2023

CASH FLOW STATEMENT: FOR YEAR ENDED 31ST DECEMBER 2022

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Net cash inflow/(outflow) from operating activities		(2,261)		(2,220)
Cash flows from investing activities				
Dividends, interest and rent from investments	855		891	
Proceeds from the sale of:	-		-	
Tangible fixed assets	645		2,271	
Fixed asset investments	-		579	
Purchase of:				
Tangible assets for the use of SDBF	(863)		(296)	
Investments	-		-	
Repayment of bank loan	(500)		(125)	
Net cash provided by / (used in) investing activities		137		3,320
Cash flows from financing activities				
Loans advanced	-		-	
Net cash provided by / (used in) financing activities				
Change in cash & cash equivalents in the reporting period		(2,124)		1,100
Cash and cash equivalents at 1 January		4,804		3,704
Cash and cash equivalent at 31 December		2,680		4,804
Reconciliation of net movements in funds to net cash flow from operating activities		2022 £'000		2022 £'000
Net movement in funds for the year ended 31 December		(2,852)		2,774
Adjustments for:				
Depreciation charges		118		115
Dividends, interest and rent from investments		(855)		(891)
Decrease/(increase) in debtors		(564)		234
Increase in creditors		349		(220)
Pension deficit provision movement		(310)		(372)
Non Cash-Property movement		(550)		-
Non Cash-Investment movement		(15)		-
Movement in investments and fixed assets		2,418		(3,860)
Net cash provided by / (used in) operating activities		(2,261)		(2,220)

Analysis of changes in net debt	at 1 Jan 2022 £'000	Cashflows £'000	Other changes £'000	at 31 Dec 2022 £'000
Cash and cash equivalents				
Cash and deposit accounts	4,804	(2,124)	-	2,680
	4,804	(2,124)	-	2,680
Borrowings				
Debt due within one year	(500)	500	(500)	(500)
Debt due after one year	(2,129)	-	479	(1,650)
	(2,629)	500	(21)	(2,150)
Total	2,175	(1,624)	(21)	530

1.ACCOUNTING POLICIES**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, comprising of:

- STATEMENT OF FINANCIAL ACTIVITIES
- INCOME AND EXPENDITURE ACCOUNT
- BALANCE SHEET
- CASH FLOW STATEMENT
- RELATED NOTES

constitute the individual financial statements of Salisbury Diocesan Board of Finance for the year ended 31 December 2022.

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 2022.

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 2019, 2nd edition), 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.

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

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 January 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
 - 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.

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

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 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
- 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 the notes to the accounts.

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 & 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 2022 due to favourable market conditions.

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 the notes to the accounts.

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.

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted Funds General	Designated	Restricted funds	Endowment funds	Total funds <u>2022</u>	Total funds <u>2021</u>
	£'000	£'000	£'000	£'000	£'000	£'000
Share for the year per the Budget	11,058	-	-	-	11,058	10,692
Less: provision for shortfall in contributions	(1,226)	-	-	-	(1,226)	(1,073)
Less: write-off in year	-	-	-	-	-	(46)
	<u>9,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,832</u>	<u>9,573</u>
Plus: arrears for previous years	71	-	-	-	71	123
2 PARISH SHARE	9,903	-	-	-	9,903	9,697
The Archbishops' Council	38	-	477	-	515	485
Strategic Ministry Funding	112	-	-	-	112	85
The Church Commissioners	123	-	-	-	123	112
3 THE NATIONAL CHURCH INSTITUTIONS	273	-	477	-	750	682
All Churches Trust	106	-	12	-	118	130
Other Grants	32	-	8	-	40	75
Sudan Donations	-	-	230	-	230	172
Donations	6	1	-	-	7	16
Legacy Income	-	-	565	-	565	-
4 OTHER DONATIONS	144	1	815	-	960	393
Included in other donations is legacy income from the late Miss Kempe to be used for the benefit of retired clergy						
Statutory fees	-	-	538	-	538	534
Management Fees	107	-	-	-	107	148
Chaplaincy Income	-	-	196	-	196	218
5 CHARITABLE ACTIVITIES	107	-	734	-	841	900
Rental income from let clergy houses	590	-	-	-	590	379
Other Income	-	-	78	-	78	-
Fee income from property projects	297	-	-	-	297	361
6 OTHER ACTIVITIES	887	-	78	-	965	740
Dividends receivable	75	16	118	415	624	670
Interest receivable	13	1	4	1	19	3
Rents from investment properties	-	-	177	-	177	182
Rents from other properties	34	-	-	-	34	36
7 INVESTMENT INCOME	122	17	299	416	854	891
TOTAL INCOME	11,436	18	2,403	416	14,273	13,303

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted Funds		Restricted funds	Endowment funds	Total funds	Total funds 2021
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Glebe Fees	-	-	27	-	27	65
Agents' fees on other let property	73	-	-	-	73	55
Other expenses on other let property	29	-	-	-	29	16
Fund Raising	68	-	-	-	68	18
8 FUND RAISING COSTS	170	-	27	-	197	154
Stipends, national insurance, A Levy & Pensions	6,824	-	-	-	6,824	7,237
Clergy expenses	352	-	1	-	353	150
Maintenance of clergy property	1,447	-	897	-	2,344	2,105
DIRECT MINISTRY COST	8,623	-	898	-	9,521	9,492
Ministry support team	418	186	6	-	610	596
Communications	103	-	-	-	103	109
Social justice, discipleship and mission outreach	-	-	-	-	-	97
Ordinands college costs	-	-	283	-	283	269
National Church - training for Ministry VOTE 1 and pooling	577	-	-	-	577	522
Parish support; governance, pastoral, patronage & admin	300	-	-	-	300	303
Rural Hope	-	-	195	-	195	199
Church Buildings	186	-	-	-	186	183
Safeguarding	258	-	-	-	258	176
Registrar & Chancellorship and other professional fees	178	-	-	-	178	182
Area offices	142	-	-	-	142	132
Milton Abbey	-	-	36	-	36	54
Supporting parish trusts	22	-	-	-	22	21
MINISTERIAL SUPPORT AND SUPPORT TO PARISHES	2,184	186	520	-	2,890	2,843
WORK WITH CHILDREN AND YOUNG PEOPLE	309	-	-	-	309	336
Central costs	684	-	-	-	684	603
Human Resources	77	-	21	-	98	87
Investment in IT	189	-	-	-	189	217
CENTRAL COSTS AND IT INVESTMENT	950	-	21	-	971	907
National Church - central costs (votes 2-5)	506	-	-	-	506	542
Supporting the Sudans	-	-	211	-	211	181
Share discount and provision	36	-	-	-	36	35
Interest payable	69	-	-	-	69	15
OTHER NON PARISH-COSTS	611	-	211	-	822	773
Audit	32	-	-	-	32	20
Synod costs and meetings	7	-	-	-	7	4
General Synod Expenses	5	-	-	-	5	-
Governance	44	-	-	-	44	24
9 CHARITABLE ACTIVITIES	12,721	186	1,650	-	14,557	14,375
SDBF BC Ltd	263	-	-	-	263	233
10 OTHER RESOURCES EXPENDED	263	-	-	-	263	233
TOTAL EXPENDITURE	13,154	186	1,677	-	15,017	14,762

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

11 GAINS/(LOSSES): INVESTMENTS, PROPERTY & GLEBE

	Unrestricted Funds		Restricted funds	Endowment funds	Total funds	Total funds
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Realised profit/(loss) on sale of investments	-	-	-	-	-	845
Movement in value of investments	(346)	(69)	(474)	(1,752)	(2,641)	2,171
Realised Gain on sale of clergy property	-	-	-	245	245	487
Realised Gain on sale of Glebe	-	-	-	-	-	399
Movement in valuation of Glebe	-	-	-	-	-	-
Increase in loan provision	(13)	-	(8)	-	(21)	(42)
TOTAL INVESTMENTS, PROPERTY & GLEBE	(359)	(69)	(483)	(1,507)	(2,418)	3,860

12 ANALYSIS OF RESOURCES EXPENDED INC. SUPPORT COSTS

	undertaken directly	funding of activities	Support costs	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000
Raising funds	197	-	-	197	154
Direct ministry cost	9,521	-	-	9,521	9,491
Ministerial support and support to parishes	2,175	-	715	2,890	2,843
Support for Children and Young people	-	309	-	309	336
Central costs, HR and IT	971	-	-	971	907
National Church central costs	-	506	-	506	542
Supporting the Sudans	-	211	-	211	181
Share discount	36	-	-	36	35
Interest payable	69	-	-	69	15
Governance	-	-	44	44	24
TOTAL RESOURCES EXPENDED INC. SUPPORT COSTS	12,970	1,026	759	14,754	14,529

	Activities undertaken directly	Grant funding of activities	Governance costs	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000
Staff Costs & Office	596	-	-	596	578
Governance	-	-	44	44	27
Depreciation	-	-	118	118	115
Supporting the Sudans	1	-	-	1	1
ALLOCATION OF SUPPORT COSTS	597	-	163	759	721

13 ANALYSIS OF GRANTS PAYABLE

	2022	2021
	£'000	£'000
To Institutions		
National Church Responsibilities		
The Archbishops Council (see note 9)	1,083	1,064
Salisbury Diocesan Board of Education	309	336
	1,391	1,400
Diocesan Links Overseas		
Sudanese dioceses / schools / colleges	210	180
Within the Diocese:		
PCCs	34	34
Other mission bodies	16	13
County ecumenical bodies	6	6
	56	53
To Individuals		
Individual training for ministry	178	168
First appointment, resettlement and removal	217	102
	395	270
TOTAL GRANTS PAYABLE	2,052	1,903

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

14 STAFF AND STIPENDIARY COSTS

	2022	2021
	£'000	£'000
Gross Salaries	1,590	1,592
Social security costs	164	153
Pension costs	289	299
	2,043	2,044
Split of staff costs		
Rural Hope and fully reimbursed under Strategic Development Funding	119	144
Part of clergy deployment or recharged to parishes	158	199
SDBF BC Ltd	184	187
Remaining DBF staff	1,582	1,514
	2,043	2,044

STAFF AND STIPENDIARY COSTS

The numbers of staff whose emoluments but excluding Pension Contributions) amounted to more than £60,000 were as follows:

	2022	2021
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
Pension payments made for these employees:	22	34

	£'000	£'000
Redundancy payments made in the year were as follows :-	3	22

The average numbers of employees, based on full time equivalents:

39	44
-----------	-----------

Remuneration of key management personnel

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

Diocesan Secretary	David Pain
Diocesan Director of Finance and Asset management to Sept 2022	Elizabeth Ashmead
Diocesan Director of Finance and Asset management from Sept 2022	Nigel Jenner
Diocesan Director of Ministry, Mission and Communications	Jonathan Triffit
Diocesan Surveyor and Head of Property	Shawn Donneky

	2022	2021
	£'000	£'000
Remuneration, pensions and expenses for these employees amounted to:	365	354
The table below identifies Trustees who were in receipt of a stipend funded by the Board and/or housing provided by the Board 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
Canon D Baldwin	Yes
Canon A Perry	Yes
Canon L Holt	Yes
Canon J Curtis	Yes

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

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
Trustees travel and out-of pocket expenses in their capacity as trustees:	-	-

The Board is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff.

The Board 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 Board paid an average (FTE) of 166 (2021 - 176) stipendiary clergy as office-holders, and the costs were as follows:

	2022	2021
	£'000	£'000
Stipends	4,681	4,841
National Insurance contributions	392	393
Apprenticeship levy	21	22
Direct cost of clergy	5,094	5,256
Stipends	21	27
National Insurance contributions	2	2
Apprenticeship levy	-	-
As part of Rural Hope and fully reimbursed	23	29
Stipends	4,702	4,868
National Insurance contributions	394	395
Apprenticeship levy	21	22
Total Stipends	5,117	5,285

The annual rate of stipend paid to Archdeacons and other clergy who were Trustees was:

	2022	2021
	£	£
Archdeacons:		
Ranges From	37,096	36,611
To	38,469	37,789
Other Clergy:		
Ranges From	26,156	25,645
To	27,953	27,405
Housing Allowance	8,500	8,326

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

15 CONNECTED CHARITIES

The trustees consider that Salisbury Diocesan Board of Education Ltd (SDBEL) is a connected charity. The work of education in the Diocese is undertaken by the Board of Education. SDBEL receives grants from the Board of Finance for education work in the Diocese.

	2022 £'000	2021 £'000
Transactions with SDBEL and SALED Ltd Charged by SDBF:		
to SALED Ltd for office services	-	-
Grants made by SDBF to SDBEL	309	336
TOTAL CONNECTED CHARITIES	309	336

16 TANGIBLE ASSETS

	Unrestricted		Restricted		Endowment		Totals
	Property	Equipment	Assistant staff houses and other property	Biddlecombe Retired Clergy Fund	Team Vicarages	Benefice Houses	
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2022 (*)	1,815	926	18,388	-	15,224	56,338	92,691
Additions	-	45	-	550	-	819	1,414
Disposals	-	-	-	-	(400)	-	(400)
At 31 December 2022	1,815	971	18,388	550	14,824	57,157	93,705
Accumulated depreciation							
At 1 January 2022	-	739	-	-	-	-	739
Charge for the year	-	120	-	-	-	-	120
Disposals	-	-	-	-	-	-	-
At 31 December 2022	-	859	-	-	-	-	859
Net Book Value							
At 31 December 2022	1,815	112	18,388	550	14,824	57,157	92,846
At 31 December 2021	1,815	187	18,388	-	15,224	56,338	91,952

*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 (2021: £355k)

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

17 HERITAGE ASSETS

The Board 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

2022
£'000

2021
£'000

Investments with fund managers

Market value at 1 January	21,725	18,709
Additions at cost	15	6,888
Disposals at carrying value	-	(6,043)
Net investment (losses)/gains	(2,641)	2,171
Market value at 31 December	19,099	21,725

Investment Properties

Carrying value at 1 January	12,201	12,381
Revaluation at 31 December	-	-
Disposals at carrying value	-	(180)
Carrying value at 31 December	12,201	12,201

Total Investment Fixed Assets at 31 December	31,300	33,926
----------------------------------------------	---------------	---------------

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

CBF Church of England

505,075 Investment Fund shares (2021 - 505,075)	10,428	11,812
1,792,094 Property Fund shares (2021 - 1,792,094)	2,303	2,609
282.36 Accumulation Shares(2021-Nil)	15	-

CCLA Investments:	12,746	14,421
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Sarasin General Fund	1,615	1,859
Sarain DSF Capital	4,683	5,390
Sarasin InvestmentsTotal: (5,536,725 units)	6,298	7,249

Clergy Mutual Credit Union Deferred Shares	5	5
Community Solar projects	40	40
Schools Energy Cooperative	10	10
Other Investments:	55	55

Investments with fund managers:	19,099	21,725
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Investment Property	12,201	12,201
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Investment Properties:	12,201	12,201
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Total investments	31,300	33,926
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19 PROGRAMME RELATED INVESTMENTS

2022
£'000

2021
£'000

Programme related investments	89	89
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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 Board'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.

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

20 DEBTORS

	Group	Parent	Group	Parent
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Loans to parishes	150	150	179	179
Parish Share	192	192	104	104
Accrued income and Prepayments	900	870	273	198
Sundry debtors	314	615	437	609
20 Total Debtors	1,556	1,827	993	1,090

Included in debtors are £150k loans to parishes due in more than one year (2021 £179k)

21 CASH AND DEPOSIT ACCOUNTS

	Group	Parent	Group	Parent
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
21 Cash at bank and in hand	2,680	2,360	4,804	4,547

22 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR:

	Group	Parent	Group	Parent
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
HM Revenue & Customs	-	-	5	5
Accruals	232	226	138	133
Other creditors	502	493	242	216
Coronavirus Business Interruption Loan (CBIL)	500	500	500	500
Creditors - Amounts Falling Due Within One Year	1,234	1,219	885	854

23 CREDITORS - AMOUNTS DUE AFTER MORE THAN ONE YEAR

	Group	Parent	Group	Parent
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Clergy pension deficit	-	-	310	310
Loans:				
Talbot Village Trust	117	117	109	109
Church Commissioners	158	158	145	145
Coronavirus Business Interruption Loan (CBIL)	1,375	1,375	1,875	1,875
Total loans:	1,650	1,650	2,129	2,129
Creditors - Amounts Due After More Than One Year	1,650	1,650	2,439	2,439

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 2022 to match the market value of the property.

The Coronavirus interruption loan was taken out in Autumn 2020.

A one year capital & interest repayment holiday was granted- repayment at £41.67k per month started in October 2021.

There is no penalty for early repayment. The loan is secured on 3 clergy houses.

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

24 FINANCIAL COMMITMENTS

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

25 FINANCIAL INSTRUMENTS

	Group 2022 £'000	Parent 2022 £'000	Group 2021 £'000	Parent 2021 £'000
Cash	2,680	2,360	4,804	4,547
Financial assets held at fair value	31,389	31,389	34,015	34,015
Financial assets held at amortised cost	1,317	1,588	766	863
Financial liabilities held at amortised cost	(2,601)	(2,594)	(3,039)	(3,034)
Financial liabilities held at fair value	(275)	(275)	(254)	(254)
NET FINANCIAL ASSETS	32,510	32,468	36,292	36,137

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.

26 FUND MOVEMENTS IN THE YEAR

	Opening Balance	Income	Expenditure	Pension movement	Transfers	Gains & Losses	Revaluations	Closing Balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds								
General Fund	4,003	11,436	(13,154)	-	766	(359)	-	2,692
Total General	4,003	11,436	(13,154)	-	766	(359)	-	2,692
Clergy conference fund	93	-	-	-	15	-	-	108
Aldhelm Mission Fund	307	10	(10)	-	4	(35)	-	276
Ordinands Support Fund	-	-	(176)	-	176	-	-	-
Crompton Fund	186	8	-	-	-	(34)	-	160
Designated Property	18,388	-	-	-	490	-	-	18,878
Total designated	18,974	18	(186)	-	685	(69)	-	19,422
Total unrestricted funds	22,977	11,454	(13,340)	-	1,451	(428)	-	22,114
Restricted funds								
Biddlecombe for Retired Clergy	-	586	(2)	-	795	(96)	-	1,283
Biddlecombe for Ordinand	-	11	-	-	395	(48)	-	358
Evreux	-	-	-	-	-	-	-	-
Bishops Office	-	-	-	-	-	-	-	-
Choral fund	-	-	-	-	-	-	-	-
Pastoral & Development Fund [DPA]	5,119	144	(909)	-	360	(236)	-	4,478
Latvia Fund	-	-	-	-	-	-	-	-
Milton Abbey Fund	-	12	(35)	-	23	-	-	-
Music	-	8	(6)	-	-	-	-	2
Restricted funds for ministry in parishes	2,379	23	-	-	(1,244)	(103)	-	1,055
RME	52	282	(282)	-	-	-	-	52
IME pilgrimage	-	-	-	-	-	-	-	-
Strategic Development Funding	-	195	(195)	-	-	-	-	-
Diocesan Stipends Fund Income Account	-	911	(37)	-	(874)	-	-	-
The Sudan Funds	-	-	-	-	-	-	-	-
Sudan General	95	92	(65)	-	(5)	-	-	117
Sudan Juba School	14	54	(55)	-	-	-	-	13
Sudan Medical Link Fund	55	85	(91)	-	5	-	-	54
Sudan Relief & Development Fund	-	-	-	-	-	-	-	-
Total restricted funds	7,714	2,403	(1,677)	-	(545)	(483)	-	7,412
Expendable endowment								
Benefice Houses	56,339	-	-	-	(490)	-	-	55,849
Permanent endowment								
Stipends Capital Account	18,393	-	-	-	552	-	-	18,945
Unapplied Total Return	19,101	313	-	310	(865)	(1,048)	-	17,811
Endowments for ministry in parishes	3,915	103	-	-	(103)	(459)	-	3,456
Total Permanent endowment	41,409	416	-	310	(416)	(1,507)	-	40,212
Total endowment funds	97,748	416	-	310	(906)	(1,507)	-	96,061
Total Funds	128,439	14,273	(15,017)	310	-	(2,418)	-	125,587

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

27 Permanent Endowment

	Stipends Capital Account	Unapplied Total Return	Endowments for ministry in parishes
	£'000	£'000	£'000
Opening Funds	18,393	19,101	3,915
Income			
Investment Income		313	103
Legal and professional fees			
	-	313	103
Transfers between funds			
Investment capital movement from Stipend capital	-	-	-
3% from Stipend capital to cover indexation	552	(552)	-
Transfer investment income		(313)	(103)
	552	(865)	(103)
Pension Movements			
Movement Clergy Pension Deficit		310	-
	-	310	-
Gains & Losses			
Profit/(Loss) of sale properties		245	-
Investments		(1,293)	(459)
	-	(1,048)	(459)
Closing Funds	18,945	17,811	3,456

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

28 SUMMARY OF ASSETS BY FUND

	Fixed assets			Creditors			Net assets
	Tangible	Investments	Current Assets excl cash	Cash	Indexation	Current liabilities	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds							
General Fund	1,928	2,395	701	394	-	(1,193)	2,692
Total General	1,928	2,395	701	394	-	(1,193)	2,692
Clergy conference fund	-	-	-	108	-	-	108
Aldhelm Mission Fund	-	262	-	14	-	-	276
Ordinands Support Fund	-	-	-	-	-	-	-
Crompton Fund	-	257	-	(68)	-	(29)	160
Designated Property	18,878	-	-	-	-	-	18,878
Total designated	18,878	519	-	54	-	(29)	19,422
Total unrestricted funds	20,806	2,914	701	448	-	(1,222)	22,114
Restricted funds							
Biddlecombe for Retired Clergy	550	735	-	(2)	-	-	1,283
Biddlecombe for Ordinand	-	358	-	-	-	-	358
Evreux	-	-	-	-	-	-	-
Bishops Office	-	-	3	(3)	-	-	-
Choral fund	-	-	-	-	-	-	-
Pastoral & Development Fund [DPA]	-	1,781	150	2,672	-	(7)	4,479
Latvia Fund	-	-	-	-	-	-	-
Milton Abbey Fund	-	-	3	2	-	(5)	-
Music	-	-	-	2	-	-	2
Restricted funds for ministry in parishes	-	864	1	189	-	-	1,054
RME	-	-	-	52	-	-	52
IME pilgrimage	-	-	-	-	-	-	-
Strategic Development Funding	-	-	53	(53)	-	-	-
Diocesan Stipends Fund Income Account	-	-	-	-	-	-	-
The Sudan Funds	-	-	-	-	-	-	-
Sudan General	-	-	-	117	-	-	117
Sudan Juba School	-	-	-	13	-	-	13
Sudan Medical Link Fund	-	-	-	54	-	-	54
Sudan Relief & Development Fund	-	-	-	-	-	-	-
	550	3,738	210	3,043	-	(12)	7,412
Expendable endowment							
Benefice Houses	56,666	-	-	(817)	-	-	55,849
Permanent endowment							
Stipends Capital Account	8,773	9,931	-	(1)	552	-	18,945
Unapplied Total Return	6,051	11,347	645	10	(552)	-	17,811
Endowments for ministry in parishes	-	3,459	-	(3)	-	-	3,456
	14,824	24,737	645	6	-	-	40,212
Total endowment funds	71,490	24,737	645	(811)	-	-	96,061
Total Funds	92,846	31,389	1,556	2,680	-	(1,234)	125,587

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

29 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

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

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

30 PRIOR YEAR FUND MOVEMENTS

2021 COMPARISON	Opening Balance	Income	Expenditure	Pension movement	Transfers	Gains & Losses	Revaluations	Closing Balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds								
General Fund	3,163	11,070	(13,662)	-	3,040	392	-	4,003
Total General	3,163	11,070	(13,662)	-	3,040	392	-	4,003
Clergy conference fund	78	-	-	-	15	-	-	93
Aldhelm Mission Fund	255	13	(13)	-	15	37	-	307
Ordinands Support Fund	-	-	(165)	-	165	-	-	-
Crompton Fund	162	8	-	-	(20)	37	-	186
Designated Property	-	-	-	-	18,388	-	-	18,388
Total designated	495	21	(178)	-	18,563	73	-	18,974
Total unrestricted funds	3,658	11,091	(13,840)	-	21,603	466	-	22,977
Restricted funds								
Biddlecombe for Retired Clergy	-	-	-	-	-	-	-	-
Biddlecombe for Ordinand	-	-	-	-	-	-	-	-
Evreux	-	-	-	-	-	-	-	-
Bishops Office	-	-	-	-	-	-	-	-
Choral fund	14	-	-	-	(15)	1	-	-
Pastoral & Development Fund [DPA]	24,797	58	(139)	-	(20,541)	944	-	5,119
Latvia Fund	(3)	-	-	-	3	-	-	-
Milton Abbey Fund	-	36	(54)	-	18	-	-	-
Music	-	20	(7)	-	(13)	-	-	-
Restricted funds for ministry in parishes	2,115	53	-	-	(53)	264	-	2,379
RME	34	286	(269)	-	-	-	-	51
IME pilgrimage	6	-	-	-	(6)	-	-	-
Strategic Development Funding	1	200	(199)	-	(1)	-	-	1
Diocesan Stipends Fund Income Account	-	935	(73)	-	(862)	-	-	-
The Sudan Funds	-	-	-	-	-	-	-	-
Sudan General	122	69	(96)	-	-	-	-	95
Sudan Juba School	24	34	(45)	-	-	-	-	13
Sudan Medical Link Fund	27	68	(40)	-	-	-	-	55
Sudan Relief & Development Fund	-	-	-	-	-	-	-	-
Total restricted funds	27,137	1,759	(922)	-	(21,470)	1,209	-	7,713
Expendable endowment								
Benefice Houses	56,019	-	-	-	320	-	-	56,339
Permanent endowment								
Stipends Capital Account	35,429	353	-	372	(19,454)	1,693	-	18,393
Unapplied Total Return	-	-	-	-	19,101	-	-	19,101
Endowments for ministry in parishes	3,423	100	-	-	(100)	493	-	3,916
	38,852	453	-	372	(453)	2,186	-	41,410
Total Endowment Funds	94,871	453	-	372	(133)	2,186	-	97,749
Total Funds	125,666	13,303	(14,762)	372	-	3,861	-	128,439

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

31 PRIOR YEAR SUMMARY OF ASSETS BY FUND

2021 COMPARISON	Opening Balance	Fixed assets		Current Assets excl cash	Cash	Transfer to Unapplied Total Return	Creditors		Net assets
		Tangible	Investments				Current liabilities	Long term liabilities	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds									
General Fund	3,163	2,001	2,742	753	1,414	-	(887)	(2,020)	4,003
Total General	3,163	2,001	2,742	753	1,414	-	(887)	(2,020)	4,003
Clergy conference fund	78	-	-	-	93	-	-	-	93
Aldhelm Mission Fund	255	-	292	-	15	-	-	-	307
Ordinands Support Fund	-	-	-	-	-	-	-	-	-
Crompton Fund	162	-	292	-	(106)	-	-	-	186
Designated Property	-	18,388	-	-	-	-	-	-	18,388
Total designated	495	18,388	584	-	2	-	-	-	18,974
Total unrestricted funds	3,658	20,389	3,326	753	1,416	-	(887)	(2,020)	22,977
Restricted funds									
Biddlecombe for Retired Clergy	-	-	-	-	-	-	-	-	-
Biddlecombe for Ordinand	-	-	-	-	-	-	-	-	-
Evreux	-	-	-	-	-	-	-	-	-
Bishops Office	-	-	-	3	(3)	-	-	-	-
Choral fund	14	-	4	-	(4)	-	-	-	-
Pastoral & Development Fund [DPA]	24,797	-	3,837	180	1,211	-	-	(109)	5,119
Latvia Fund	(3)	-	-	-	-	-	-	-	-
Milton Abbey Fund	-	-	-	4	(4)	-	-	-	-
Music	-	-	-	-	-	-	-	-	-
Restricted funds for ministry in parishes	2,115	-	2,188	-	191	-	-	-	2,379
RME	34	-	-	-	51	-	-	-	51
IME pilgrimage	6	-	-	-	-	-	-	-	-
Strategic Development Funding	1	-	-	53	(53)	-	-	-	-
Diocesan Stipends Fund Income Account	-	-	-	-	-	-	-	-	-
The Sudan Funds	-	-	-	-	-	-	-	-	-
Sudan General	122	-	-	-	95	-	-	-	95
Sudan Juba School	27	-	-	-	14	-	-	-	14
Sudan Medical Link Fund	24	-	-	-	55	-	-	-	55
Sudan Relief & Development Fund	-	-	-	-	-	-	-	-	-
Total restricted funds	27,137	-	6,029	240	1,553	-	-	(109)	7,713
Expendable endowment									
Benefice Houses	56,019	56,338	-	-	1	-	-	-	56,339
Permanent endowment									
Stipends Capital Account	35,429	15,224	20,741	-	1,840	(19,101)	-	(310)	18,394
Unapplied Total Return	-	-	-	-	-	19,101	-	-	19,101
Endowments for ministry in parishes	3,423	-	3,919	-	(4)	-	-	-	3,915
Total endowment funds	94,871	71,562	24,660	-	1,837	-	-	(310)	97,749
Total Funds	125,666	91,952	34,015	993	4,805	-	(887)	(2,439)	128,439

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 which is then used to meet the conference costs.

The Aldhelm Mission Fund 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 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 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.

Biddlecombe for Retired Clergy created in 2012 for the purpose of providing assistance, continued support and housing for retired clergy.

Biddlecombe for Ordinand funds assistance, support and housing for Ordinands.

Milton Abbey Fund is used to fund 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.

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

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 channeled 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 channeling money into support of the school.

Bishops' Office Equipment Fund 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 several 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.

Unapplied Total Return (UTR)

A transfer of £1.84m has been made to the Stipends Capital Account (SCA) from the Unapplied Total Return (UTR) leaving £17.26m in the UTR. This consists of £552k - a 3% allowance to cover indexation (reckoning inflation will average 3% over a 20 year horizon and so maintaining the real value of the SCA) and the investment loss on the expendable endowment of £1.29m which has to be set against the UTR pot.

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 several permanent endowments to support parochial ministry.

ANALYSIS OF TRANSFERS BETWEEN FUNDS 2022

TRANSFER BETWEEN FUNDS 2022					
	General	Aldhelm	Benefice Houses	Biddlecombe for Retired Clergy	Biddlecombe for Ordinand
	£'000	£'000	£'000	£'000	£'000
Transfers within the year					
General Fund for clergy conference	15	-	-	-	-
General Fund to Ordinand maintenance	170	-	-	-	-
DPA to General fund for Support	364	-	-	-	-
General fund to Milton Abbey to maintainance	23	-	-	-	-
Stipend income to General fund	(874)	-	-	-	-
Sudan General to Medical link	-	-	-	-	-
DPA to General fund for Support	(3)	-	-	-	-
Sudan General to Medical link	-	-	-	-	-
Benefice fund to DPA for 2 Birchwood Road	-	-	490	-	-
Transfer Investment Income					
Stipend capital to General fund for Stipends	(313)	-	-	-	-
Min parishes transfer of Investment Income to General fund	(103)	-	-	-	-
Parish ministry transfer to General fund for Investment income	(23)	-	-	-	-
Investment income from Biddlecombe for Retired Clergy to General fund	(22)	-	-	11	-
General fund to Ordinand fund for Ordinand maintenance	(5)	-	-	-	5
Clear Balances					
Music Fund to General fund to clear balances	2	-	-	-	-
Music Fund transfer to General Fund	(2)	-	-	-	-
Transfer to clear balance from Choral	4	-	-	-	-
Choral to Aldhelm as Choral closed 2021	-	(4)	-	-	-
Unapplied Total Return (UTR)					
3% from Stipend capital to cover indexation	-	-	-	-	-
Investment capital movement from Stipend capital	-	-	-	-	-
Biddlecombe Fund separtion from Parish Ministry					
Parish Ministry to Biddlecombe for Ordinand	-	-	-	-	(401)
Parish Ministry to Biddlecombe for Retired Clergy	-	-	-	(806)	-
Parish Ministry restricted funds to Biddlecombe Retired Clergy and Ordinand	-	-	-	-	-
Total	(767)	(4)	490	(795)	(396)

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

Clergy conference	Choral	Pastoral & development Fund	Designated Property	Endowment for Ministry in Parishes	Milton Abbey	Music	Ordinand Support Fund	Restricted funds for Ministry in Parishes	Stipend Capital	Stipend Income	Sudan General	Sudan Medical	Sudan Relief	Unapplied Total Return	Total
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(170)	-	-	-	-	-	-	-	-
-	-	(364)	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	(23)	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	874	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	5	(5)	-	-	-
-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	(23)	23	-	-	-
-	-	-	(490)	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	313	-	-	-	-	-	-
-	-	-	-	103	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	23	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11)
-	-	-	-	-	-	-	(5)	-	-	-	-	-	-	-	(5)
-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-
(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(552)	-	-	-	-	552	-
-	-	-	-	-	-	-	-	-	(1,293)	-	-	-	-	1,293	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(401)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(806)
-	-	-	-	-	-	-	-	1,223	-	-	-	-	-	-	1,223
(15)	-	(361)	(490)	103	(23)	-	(175)	1,246	(1,532)	874	(18)	18	-	1,845	-

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 DEFINED BENEFITS SCHEME

2 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. This does 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. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2022: £46k, 2021: £66k) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £46k for 2022 (2021: £66k).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers’ sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board having taken advice from the Actuary.

A valuation of DBS is carried out once every three years. The most recently finalised valuation 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 was due at 31 December 2022.

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 32.9% of pensionable salary and expenses of £10,100 per year.

The movement in the provision is set out below:

		December 2022	December 2021	December 2020
Discount rate	p.a	0.0%	0.0%	0.0%

CLERGY PERSONNEL

CLERGY PENSION SCHEME

The membership figures that we hold as at December 2021 and December 2022 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 2022	December 2021
Number of members at this Responsible Body	179	178

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 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumption:

▪ An average discount rate of 2.7% p.a;

▪ RPI inflation of 3.6% p.a. (and pension increases consistent with this);

• CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;

• Increase in pensionable stipends increased in line with CHPI

• Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% p.a and an allowance for 2020 data of 0% (i.e. w2020=0%)

Following the 31 December 2018 valuation, a deficit 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. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the scheme was no longer in deficit.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Percentage of pensionable stipends	Jan 2021 to Dec 2022	Jan 2018 to Dec 2020
Deficit repair contributions	7.10%	11.90%

NOTES TO THE FINANCIAL STATEMENTS THE YEAR ENDED 31 DECEMBER 2022

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

Percentage of pensionable stipends	2022 £	2021 £
Balance sheet liability at 1 January	310,000	682,000
Deficit contribution paid	(183,000)	(327,000)
Interest cost (recognised in SoFA)	-	1,000
Remaining change to the balance sheet liability*	(127,000)	(46,000)
Balance sheet liability at 31 December	-	310,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

		December 2022	December 2021	December 2020
Discount rate	p.a	n/a	0.0%	0.2%
Price Inflation	p.a	n/a	n/a	3.1%
Increase to total pensionable payroll	p.a	n/a	-1.5%	1.6%

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.