

**DIOCESE  
of  
ELY**

**Ely Diocesan Board of Finance**

A company limited by guarantee and not having a share capital

Registered in England No: 00142183 (England & Wales) Charity No: 245456

**Report & Accounts  
For the year ended 31 December 2020**

## **ELY DIOCESAN BOARD OF FINANCE**

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# We pray to be generous and visible people of Jesus Christ

Nurture a confident people of God  
Develop healthy churches  
Serve the community  
Re-imagine our buildings  
Target support to key areas

To **engage** fully and courageously with the needs of our communities, locally and globally.

To **grow** God's church by finding disciples and nurturing leaders.

To **deepen** our commitment to God through word, worship and prayer.

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The trustees, who are also directors for the purposes of company law, present their combined annual trustees' report and directors' report, together with the audited financial statements, for the year ended 31 December 2020.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors of Ely Diocesan Board of Finance (the Board).

This combined report satisfies the legal requirements for:

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

**LEGAL OBJECTIVES**

The objectives of the Diocese of Ely cover the geographical area of the Diocese.

The Board's principal objective is to promote, assist and advance the work of the Church of England in the Diocese of Ely by acting as the financial executive of the Ely Diocesan Synod.

The Board has the following statutory responsibilities:

- i. the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976;
- ii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
- iii. the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991;
- iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the Board are established by the Diocesan Synod in communication with Deanery Synods, Parochial Church Councils, and the Bishop of Ely (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally; including an annual series of consultations on specific matters relating to the priorities for the forthcoming year, taking forward the commitments arising from the Diocesan Conference including the Diocesan Budget.

**STRATEGIC AIMS**

The Board aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Ely and elsewhere.

The Board's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

The key activities may be summarised as:

- Mission and Ministry in the Parishes (includes all clergy training, housing, stipends, pension and all other expenditure supporting parish-based ministry);
- Education funding (includes support for schools);
- Implementation of strategic growth projects;
- Provision of a Diocesan Retreat House; and
- Contributions for national Church institutions (mainly by grant support).

The trustees of the Board are aware of the Charity Commission's guidance on public benefit, 'The Advancement of Religion for the Public Benefit' and have had regard to it in their administration of the Board.

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The trustees believe that, by promoting the work of the Church of England in the Diocese of Ely, they help to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so they provide a benefit to the public by:

- Providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
- Promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

**OBJECTIVES FOR THE YEAR**

- To encourage more people to become directly involved in the mission of the Church of England in the Diocese of Ely;
- To support deaneries in the collection of Ministry Share;
- To develop a strategy to enable the Board to engage with communities across the Diocese;
- To review the allocation of funding resources to mission projects;
- To review the allocation of personnel resources to mission projects; and
- To review the support available for Church Schools across the Diocese.

**ACTIVITIES AND ACHIEVEMENTS IN THE YEAR**

**Operational performance**

The rapid development of the global pandemic between January and March had huge consequences for all communities including those within the church. Following the rapid closing of all places of Worship in March, many have remained closed. Many parishes have continued their regular ministry through other channels. It is a source of great pride throughout the DBF that a number of innovative ways of keeping the service provision at a high level across the whole of the faith community has been developed, along with new programmes of support for people affected by the crisis.

In response to the pandemic the British government instituted a series of civil “lockdowns”, the first, imposed in March 2020, saw the central Diocesan Offices closed and staff required to work from home. Fortunately, the staff were able to take advantage of the improvements in information technology that had been implemented in recent years, meaning that they were able to continue to provide a high level of service to our clergy and parishes. At the time of writing the offices remain closed and Diocesan staff continue to operate from home. Unfortunately, following a review of its operation, it was not possible to reopen the Retreat and Conference Centre as it could not be made Covid safe.

**Plans and achievements in 2020**

For 2020 the Board planned to:

- Maintain clergy stipends at the level recommended by the Archbishops' Council;
- Make provision for the training and support of both lay and ordained in parish ministry
- Encourage parishes in their generosity in funding mission and ministry through Ministry Share;
- Maintain an effective repair service to clergy in respect of breakages or damage to their homes;
- Accelerate the implementation of Stage 1 of the “Changing Market Towns” Initiative

During 2020 the Board has:

- Engaged with deaneries and parishes to modernise and support individual giving;
- Worked closely with each of our deaneries to continue to make payments of parish share achieving an overall collection rate of 94%;
- Maintained a clergy housing maintenance programme to ensure repairs reported were carried out promptly;
- Been able to utilise assistance from the furlough schemes implemented by the government to defray some of the salary costs of a number of the central Diocesan Office Staff;
- As a consequence of the covid crisis reduced our headcount to the minimum operational level and significantly reduced our other operating costs;
- Worked very closely with schools and local education authorities to support schools through a tumultuous period of upheaval to ensure that our children had education resources available to them whether they were based in the classroom or for the prolonged periods when they were at home.

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The effect on income levels was significant. Overall, the Board's income fell by £1.033m (9.1%) putting increased pressure on stipend levels and payments.

**Investment performance**

Overall performance

Investments (including stipends fund) are held in both glebe and other Board funds. The value of investments (excluding short-term cash deposits) on 31 December 2020 was £72.1m (2019: £64.7m) and based on the year end value the return on investment was 3.6% (2019: 4.7%).

During 2020 the income generated from investments was significantly below the budgeted figure set by the trustees. Global equity markets rose strongly in the first quarter, however the impact of the Covid pandemic saw values reduced by 20% before the end of April. As governments across the globe struggled to contain the pandemic there was a significant increase in volatility in world markets particularly in the second and third quarters, the positive sentiment returned to the markets when it began to become clearer that a small number of nations had been able to approve the use of a number of vaccines demonstrating a high degree of effectiveness against the disease. This upturn in market sentiment meant that capital values ended the year higher than those of 2019.

Glebe (including stipends fund) investments

£47.0m (2019: £45.4m) of the Board's investments are in glebe and stipends fund investments, primarily to generate a sustainable income to continue funding clergy stipends.

Rental income receivable from the glebe land was £463k (2019: £464k) and investment income receivable from the stipends fund was £1.40m (2019: £1.49m).

Board investments

Other investments are held on behalf of a number of endowed, restricted and general funds. The policy with these investments is to safeguard capital and to generate income. Investment in equity, fixed interest, property, corporate bonds and deposit funds were valued at £25.2m on 31 December 2020 (2019: £23.2m). Dividends and interest receivable amounted to £1.2m (2019: £1.5m) – a yield of 4.7% (2019: 6.7%).

External factors affecting performance

Ministry Share is contributed by the deaneries and PCCs towards the ministry and other costs of the Diocese. A large part of these costs are clergy stipends, staff salaries and building maintenance costs. In addition, at each triennial valuation the Diocese faces the possibility of having to increase contributions to the clergy and staff pension schemes.

The Diocese of Ely remains financially relatively strong compared with many other dioceses and is expected to take a proportionately larger share of National Church costs than the less well-resourced dioceses.

**FUTURE PLANS**

Any future plans are subject to the further impact and consequences of the Covid-19 pandemic. The start of 2021 has seen a further lockdown, extending the period of restrictions throughout the entire first quarter of the year. Places of Worship have largely re-opened from Easter 2021, while the government's published "pathway" to reopening describes the landmarks to be achieved in the restarting of events including weddings; baptisms and burials; also, the gradual increase in permitted numbers attending each. If these targets are reached without further setbacks there will be opportunities for these events to be celebrated more fully in the months leading into summer, but parishes still face significant financial pressures.

Expenditure plans are being reviewed, with the situation and its impact on cashflow being continuously monitored. The Board intends to set annual budgets on a break-even basis. The ongoing objective is to resource Diocesan needs, as determined by Diocesan Synod and informed by both the local and the National Church institutions.

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**FINANCIAL REVIEW**

**Overall financial position**

Income for the group for the year, before net gains and losses on investment and revaluation of fixed assets, totalled £10.29m (2019: £11.33m) and expenditure amounted to £10.12m (2019: £11.39).

The Statement of Financial Activities (SOFA) for the group for the year shows net income of £0.17m (2019: net expenditure £0.06m) before net gains and losses on investment and revaluation of fixed assets.

After revaluation adjustments, the net movement in funds for the group amounted to £8.5m (2019: £10.0m).

During the year, total fund balances for the group increased from £159.6m to £168.1m.

There was an overall group net cash inflow of £156k (2019: inflow of £473k).

**Review of the statement of financial activities**

There are no significant issues to which attention needs to be drawn.

**Principal Funding Sources of the Board**

Around 50% of the Board's income comes from Ministry Share, 25% from Diocesan investments and the remaining 25% from other resources.

**Review of the financial position**

Balance Sheet values rose by the surplus of income over expenditure of £8.5m for the group (£8.4m for the board). Unrealised gains on investments were £1.0m (2019: £8.6m) and revaluations of fixed assets during the year were £7.3m (2019: £1.51m) for the group. A full independent review of the value of all properties held by the Board was carried out in 2020 and has resulted in the significant increase on the overall valuation of the parsonage properties.

**Financial sustainability**

A major priority is to attain Ministry Share payment in full by all deaneries. Despite the difficult circumstances, 7 out of 15 deaneries paid their allocation in full for 2020 (2019: 12 of 15). The Board's investment portfolio is kept under regular review.

**Going concern**

After making enquiries the trustees are satisfied that the Board has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

**Investment policy**

The Board is charged with the management of a diverse portfolio of assets belonging to the Diocese. Many of these assets have been given to support the stipends of clergy or to ensure the provision of clergy housing. The Board undertakes the management of these assets in accordance with the requirements of governing Church of England Measures. The Board strives to be a responsible investor and to follow the recommendations and guidance set down by The Ethical Investment Advisory Group of the Church of England.

Subject to the ethical constraints, the policy of the Board is to invest all its resources in such a way as to maximise a sustainable level of income and therefore the amount contributed to clergy stipends, while at the same time protecting the long-term capital value.

Financial assets: The Board retains professional investment advisers to manage investments. The performance of these managers is monitored constantly and is compared annually with that of other charity asset fund managers. Managers are required to meet regularly with Trustees to discuss and agree the implementation of strategies. The investment policy, income, and the sustainability of that income is a prime concern of the Board.

Land: the holdings are managed on a day-to-day basis by land agents retained by the Board. Most of the land is undeveloped, and thus the income from it is generally lower than from financial investment, though the potential

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for long-term capital appreciation is high. The Board reviews its holdings for potential development opportunities. The Board's strategy is in general not to sell its landholdings at undeveloped value, but to seek or await development potential and hence capital appreciation; the funds raised then being invested as financial assets for higher income. Planning policy thus plays an important part in the investment reviews.

The Board is sensitive to the concerns of individual parishes as regards development of landholdings in their area, but is required to balance this with the normal objective and commercial approach that any arms-length investor in property would apply.

The Board regularly reviews its investment policy.

**Reserves policy**

The Board has considerable responsibilities including the remuneration of some 121 stipendiary clergy, the upkeep of approximately 160 houses and the employment of some 37 full or part time staff. The target for free reserves (net of tangible fixed assets and investments) is currently set at an amount equivalent to three months' gross expenditure from unrestricted funds estimated at £2.13m.

On 31 December 2020 free reserves were £6.4m. The unrestricted fund comprises net assets amounting to £19.1m of which £12.7m is tied up in tangible fixed assets.

The Trustees are aware, particularly in the light of the COVID-19 pandemic, that levels of parish contributions may reduce in future years and that there could be a deficit against the policy level of free reserves. The ultimate impact of the COVID-19 crisis on asset values, income levels and ultimately on free reserves is, as yet, unclear.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The trustees confirm that the major risks to which the Board is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures have been established to manage those risks. The trustees delegate to the Finance Committee the task of ensuring that risks are reviewed and managed as part of the risk management strategy. The Finance Committee has defined the risks in their areas, reported on the measures in place to manage and monitor these risks and implemented procedures and controls designed to minimise any potential impact on the Board should any of the risks materialise. A risk register has been compiled.

The Finance Committee reviews the risk register periodically and reports to trustees whether it is satisfied with its findings and makes recommendations as to areas for further work in subsequent years. The trustees review the risk register at least annually as part of the corporate risk management strategy. A summary of the major risks identified in the risk register are:

Ministry Share

The reliability and timing of the income received from local churches is voluntary in nature. The risk recognises the importance of Ministry Share, a voluntary income stream, which accounts for approximately 50% of the Ely Diocesan Board's overall income. It recognises the risks arising from a shortfall on Ministry Share and the need for continued generosity.

Mitigating policies are:

- The constant monitoring of financial strategies and costs; and
- The provision of individual support strategies for parishes which experience unforeseen temporary difficulties in meeting Ministry Share payments.

Potential disruption in the flow of investment income

The reliability and timing of income receivable from investments and tenants of Board land and properties; Investments are monitored closely and are held in balanced portfolios to reduce specific risk of overexposure to any single asset sectors and cashflows are reviewed regularly to highlight any potential discrepancy in the availability of funding.



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Safeguarding

Safeguarding is a high priority for the Diocese. It is an area which has seen significant investment in capacity and resource in recent years. Safeguarding allegations have potential resource and reputational implications.

In response to this risk the Board has set in place policies to:

- Respond well to allegations of abuse and survivors including working effectively with statutory agencies;
- Keep levels of resource in the safeguarding team under review;
- Respond to national processes and seek to influence national policy guidance to avoid unintended consequences;
- Continue to deliver safeguarding training to improve awareness and responsiveness across the Diocese; and
- Learn from experience and seek to continually improve.

Covid-19

Trustees and Diocesan Officers are assessing the risks and uncertainties brought about by the COVID-19 pandemic. Cashflow is continuously monitored, along with the impact of the crisis on income levels. A number of scenarios are being modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing.

**STRUCTURE AND GOVERNANCE**

**Summary information about the structure of the Church of England**

The Church of England is organised as two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses, of which there are 41 in England.

Each diocese in England is divided into parishes. Each parish is overseen ecclesiastically by a parish priest if not an 'incumbent' (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish.

Her Majesty the Queen, who is the Supreme Governor of the Church of England, appoints archbishops, diocesan bishops and deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally-led. There are 108 bishops including diocesan, assistant and suffragan bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: The Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

**The three National Church Institutions**

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

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

The Church Commissioners manage the historic assets of the Church of England, today spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary

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ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Pensions Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

### **The Cathedral**

Ely cathedral is the mother church of the Diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from the Chapter Office, Ely Cathedral.

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

### **Organisational Structure**

#### Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation from across the diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan bishops and archdeacons. It comprises three houses; laity, clergy and bishops.

Its role is to:

- Consider matters affecting the Church of England in the diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the bishop where requested;
- Deal with matters referred by General Synod; and
- provide for the financing of the diocese.

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

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

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion;
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the Diocesan Bishop on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

#### Deanery Synod

Deanery Synod has two houses, laity and clergy, and its role is to:

- Respond to requests from General Synod;
- Where appropriate, give effect to the decisions made by the Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and
- Elect members of the deanery to the Diocesan Synod and of the diocese to General Synod.

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Parishes

A benefice is a parish or group of parishes served by an incumbent or priest in charge in holy orders who as such is a church beneficiary and typically receives a stipend and the benefit of free occupation and use of a parsonage house at the behest of the Bishop for the purpose of carrying out spiritual duties.

A deanery is a group of parishes over which a rural dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

A diocese is then the principal pastoral and, by means of its Board of Finance, financial and administrative resource of the Church of England in the area, encompassing the various archdeaconries under the spiritual leadership of the Diocesan Bishop.

Parochial Church Council (PCC)

The PCC is the elected statutory governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church. The PCC is made up of the incumbent or priest in charge as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a corporate charity, but all those not exceeding £100,000 annual gross income are currently excepted from registration with the Charity Commission. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

**Structure, governance and management**

The Diocese of Ely was created in 1109 and covers an area of 1507 square miles with a population of approximately 725,000.

The Diocese is arranged as two Archdeaconries: Cambridge, comprising the southern part with seven deaneries, and Huntingdon and Wisbech in the northern part with eight deaneries. In total there are 316 parishes.

Diocesan governance

The Diocese is governed by Standing Orders approved in 1994 and subsequent amendments. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of ex officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, up to five persons who may be co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Many of Diocesan Synod's responsibilities have been delegated to the Standing Committee - the Bishop's Council.

Company status

The company, Ely Diocesan Board of Finance (the Board), is established to manage the financial affairs and hold legal title to the assets of the Diocese. It was incorporated on 19 November 1915 as a charitable company limited by membership guarantees (No. 142183) and its governing documents are the Memorandum and Articles of Association. The Board is registered with the Charity Commission (No. 245456).

Each member of Diocesan Synod is also a member of the Board for company law purposes and has a personal liability limited to £1 under their guarantee as a company member in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council comprise the Board of trustees of the Board – they are its directors under company law.

**Decision-making structure**

Within the supervisory powers of the Diocesan Synod, as listed below, certain Diocesan functions (those italicised below) under the heading 'Committee structure' are undertaken by the Board in pursuit of the Board's charitable objectives:

- Planning the business of Synod including the preparation of agendas and papers
- Initiation of proposals for action by the Diocesan Synod and provision of policy advice
- Transacting the business of the Diocesan Synod when not in session
- Management of the funds and property of the Diocese
- Preparation of annual estimates of expenditure

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- Advising on action needed to raise the income necessary to finance expenditure
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it
- Appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod
- Carrying out any other functions delegated by Diocesan Synod.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary, (who acts as Company Secretary) who is supported by a number of heads of departments and their staff.

**Committee structure**

Bishop's Council is the Board of trustees and company directors. It consists of ten ex officio members, including the Diocesan Bishop and the Suffragan Bishop, the two Archdeacons, the Dean of Ely and the chair of the Finance Committee, six clergy elected by the house of clergy from among their number (on an Archdeaconry basis, three per Archdeaconry) and ten lay persons elected by the members of the house of laity representing deaneries (on an Archdeaconry basis, five per Archdeaconry) and a maximum of five members nominated by the Diocesan Bishop.

Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which has delegated its authority under the Mission and Pastoral Measure 2011 to Archdeaconry Mission and Pastoral Committees.

The Board has the following sub-committees, each of which has written terms of reference:

*Finance Committee*, which is responsible for considering the financial affairs of the Diocese. Amongst other things, it draws up draft budgets for approval by the trustees prior to submission to Diocesan Synod and monitors expenditure and income.

*Audit Committee*, established by the Directors / Trustees in 2016. The primary responsibility is to review the audit process the Diocese is subject to and the audited accounts produced. Its remit is wide ranging and can consider any area of the financial activities of the Diocese in an effort to identify inefficiencies, reduce costs, and otherwise achieve organizational objectives. The committee is also involved in risk management for the Diocese. Reporting directly to the directors / trustees, it consists of three members: one from the Finance Committee, one from the Deanery Liaison Group representing deaneries and parishes and one independent member with financial expertise from outside the Board.

The Audit Committee is also responsible for assisting the trustees in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

*Assets Committee* is responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocese.

There are a number of Diocesan Synod statutory committees that, though not sub-committees of the Board, can influence the operations of the Board.

*Houses Committee* which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board.

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

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

*The Churches Uses Committee* which is responsible for finding appropriate alternative uses for churches which have been, or are proposed to be, declared redundant.

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**Appointment of trustees**

The trustees of the Board are the members of the Bishop's Council. See above for details of membership.

Trustees are given induction training when first appointed and receive ongoing training, as appropriate. This training is tailored to the individual needs of the trustees and may include introductions to church, company and charity law, an overview of current programmes and plans of the Diocese and an introduction to any special areas of the Diocese with which they will be working (e.g. Board of Education, Houses Committee). Trustees are encouraged to visit Diocesan operations.

Some senior staff may have job titles incorporating the title 'Director' but they are not necessarily directors of the company (for the purposes of company law) and so they do not count as 'charity trustees'.

In preparing the financial statements the trustees are required to:

- Select the most suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Follow applicable accounting standards and the SORP, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Grant-making (beneficiary-selection) policy**

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (See note 11 to the financial statements). Grants are paid to other charitable projects which appear to the Board to support the furtherance of its objectives. (See note 11 to the financial statements).

**Funds held as custodian trustee for others**

The Board is the custodian trustee for trust investment assets with a market value of £18.80m on 31 December 2020. Detailed certificates of holdings were sent to parishes and other managing trustees of the respective charities at that date. The Board as custodian trustee also holds PCC property. Each PCC is a separate charity. The assets are held separately from those of the Board.

**Fundraising practices and performance**

The Trustees are aware of the Charities (Protection and Social Investment) Act 2016 and support the aims of this legislation. The DBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The Diocese considers the origin of unsolicited donations and legacies. In 2020 the DBF did not engage with independent professional fundraisers and did not receive any complaints in relation to fundraising or raise any matter with regulators.

**Related parties**

General Synod, Church Commissioners and Archbishops' Council

The Board has to comply with Measures (i.e. ecclesiastical legislation with the same force as an Act of Parliament) passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the bishops are borne by the Church Commissioners and are reflected in the financial statements as costs funded by grants received from the Church Commissioners.

Parochial Church Councils (PCCs)

The Board is required by Measure to be custodian trustee in relation to PCC property (excluding ecclesiastical buildings), but the company has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements.

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

**ELY DIOCESAN BOARD OF FINANCE  
ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

Subsidiary undertakings

The Board has the following subsidiary undertakings, the turnover, expenditure and profit / (loss) for 2020 for each of the non-charitable subsidiaries was as follows:

	Income £'000	Expenditure £'000	Profit/(loss) £'000
Ely DBF Property Limited (05957128)	-	(7)	(7)
Ely Diocesan Schools Services Limited (05037336)	15	(7)	8

Each subsidiary intends to gift all its taxable profits to the Diocese within 9 months of the financial year end.

Pension Schemes

*Clergy Pension Fund*

The Board participates in the Church of England Funded Pension Scheme.

The Church of England Funded Pension Scheme is a defined benefit scheme, but the Board is unable to identify its share of the underlying assets and liabilities – each employer in that Scheme pays a common contribution rate. The latest valuation of the Scheme was carried out as of 31 December 2018.

For Schemes such as the Church of England Funded Pension Scheme, Section 28 of FRS 102 requires the Board to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

*Church of England Defined Benefits Scheme*

The Board participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers' Pensions Fund.

The Board is unable to identify its share of the underlying assets and liabilities – each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the fund as of 31 December 2019 was underway as of 31 December 2020.

*Church of England Defined Contribution Scheme*

The Board participates in the Church of England Pension Builder Scheme, a defined contribution scheme.

Further details are contained in note 26 to the financial statements.

**ELY DIOCESAN BOARD OF FINANCE  
ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**TRUSTEE 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 affairs of the Board and of the surplus or deficit of the Board for that period. In preparing these financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Board and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Board's website. Legislation in England and Wales governing the preparation and dissemination of the financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

**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.

**ELY DIOCESAN BOARD OF FINANCE  
ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**ADMINISTRATIVE DETAILS**

In accordance with the companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in January 2015 (SORP 2015), the trustees (for the purposes of charity law) and directors) for the purposes of company law) during the period from 1 January 2020 until the date of this report were:

**Bishop's Council**

Bishops (ex officio)

The Rt Revd Stephen Conway (Bishop of Ely)  
The Rt Revd Dagmar Winter (Bishop of Huntingdon)

Ex officio

The Very Revd Mark Bonney (Dean of Ely)  
The Ven. Dr Alex Hughes (Archdeacon of Cambridge)  
The Ven. Hugh McCurdy (Archdeacon of Huntingdon and Wisbech and Diocesan Clergy Representative on General Synod)  
The Revd Alison Myers (Chair of the House of Clergy)  
Canon Simon Kershaw (Chair of the House of Laity)  
The Revd Canon Brian Atling (Chairman of the Board of Finance and the Finance Committee)

Elected for the Archdeaconry of Cambridge

The Revd Canon Nick Moir  
The Revd Canon Anna Matthews  
Canon Peter Maxwell  
Dr Arvan Pritchard  
Mr Steve Mashford  
Mrs Sarah Robinson  
Canon Elizabeth Taylor

Elected for the Archdeaconry of Huntingdon and Wisbech

The Revd Jason Taylor (resigned 5 July 2020)  
The Revd Martin Dale  
Mr Donald Ashmore  
Mrs Elaine Levitt  
Mrs Diana Lucas  
Mr Stephen Tooke

Canon Janet Perrett (Diocesan Lay Representative on General Synod)  
The Revd Canon Mike Booker (Proctor in Convocation)  
The Revd Canon Simon Talbott (Proctor in Convocation)

Co-opted

Mr Francis Burkitt  
Mr George Lynn (Chair of the Audit Committee)  
Mrs Sue Freestone  
Canon Tim Walters

Nominated by the Bishop

Mr Robert Needle  
Mr Martin Macfarlane  
The Revd Carol Nicholas-Letch  
The Revd Canon Adrian Daffern

**Diocesan Secretary**

Canon Paul Evans – Company Secretary

**Finance Committee**

The Revd Canon Brian Atling (Chairman)	Mrs Sue Freestone	Mr Francis Burkitt
Canon Tim Walters (Vice Chairman)	The Ven Dr Alex Hughes	The Revd Canon Simon Talbott
Mr Donald Ashmore	The Revd Canon Alison Myers	The Ven Hugh McCurdy



**ELY DIOCESAN BOARD OF FINANCE  
ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Registered Office**

Ely Diocesan Board of Finance, Diocesan Office  
Bishop Woodford House  
Barton Road  
Ely  
Cambridgeshire  
CB7 4DX  
Telephone No.: 01353 652700

**Auditors**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

**Bankers**

Barclays Bank PLC  
Corporate Banking  
PO Box 885  
Mortlock House  
Vision Park  
Histon  
CB24 9DE

**Solicitors**

Lee Bolton Monier Williams  
1 The Sanctuary  
Westminster  
London  
SW1P 3JT

**Investment managers - Listed investments**

CCLA Investment Management Ltd (CCLA)  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

NW Brown Investment Management  
16-20 Regent Street  
Cambridge  
CB2 1NH

Eden Tree Investment Management  
24 Monument St.  
London  
EC3R 9AJ  
Reg Office  
Beaufort House  
Brunswick Road  
Gloucester GL1 1JZ

Rathbone Investment Management  
8 Finsbury Circus  
London  
EC2M 7EZ  
and at  
Port of Liverpool Building, Pier Head  
Liverpool  
L3 1NW

**Investment managers – Glebe Property Agents**

Carter Jonas LLP  
6-8 Hills Road  
Cambridge  
CB2 1NH

Joliffe Daking LLP  
25 Broadway  
Peterborough  
PE1 1SQ

Maxey Grounds & Co LLP  
24 Market Place  
March  
PE15 9JH

The Trustees' Annual Report, which incorporates the Strategic Report, was approved by Order of the Board:

*Paul Lawson Evans*

.....  
**Canon Paul Evans (Diocesan Secretary)**

*+ Stephen Ely*

.....  
**The Rt Revd Stephen Conway (Bishop of Ely)**

Date:.....22 May 2021.....

Date:.....22 May 2021.....

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELY DIOCESAN BOARD OF FINANCE

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### Opinion

We have audited the financial statements of the Ely Diocesan Board of Finance for the year ended 31 December 2020 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and of the parent charitable company's affairs as at 31 December 2020 and of the group 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 group 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 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 Annual 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 Annual 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 Annual Report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELY DIOCESAN BOARD OF FINANCE

FOR THE YEAR ENDED 31 DECEMBER 2020

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 13, 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 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 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 group and parent 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:

- Inspecting correspondence with regulators and tax authorities;
- 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, in particular journal postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

### Use of our report

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



Adam Halsey (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor  
22 May 2021

10 Queen Street Place  
London  
EC4R 1AG

**ELY DIOCESAN BOARD OF FINANCE**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted Fund 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
<b>Income and endowments from:</b>						
Donations	2					
Ministry Share		5,603	-	-	5,603	5,692
Archbishops' Council		596	424	-	1,020	832
Other donations		266	151	-	417	390
Charitable activities	3	394	-	-	394	628
Other Activities	4	273	-	-	273	275
Investments	5	999	1,586	-	2,585	3,038
Other	6	-	-	-	-	470
		<u>8,131</u>	<u>2,161</u>	<u>-</u>	<u>10,292</u>	<u>11,325</u>
<b>Expenditure on</b>						
Raising Funds	7	132	137	(630)	(361)	446
Charitable activities	8	8,407	2,074	-	10,481	10,895
		<u>8,539</u>	<u>2,211</u>	<u>(630)</u>	<u>10,120</u>	<u>11,388</u>
<b>Net income/(expenditure) before investment gains</b>						
		(408)	(50)	630	172	(63)
Net gains / (losses) on investment		(626)	(159)	1,792	1,007	8,568
		<u>(1,034)</u>	<u>(209)</u>	<u>2,422</u>	<u>1,179</u>	<u>8,505</u>
<b>Net income/(expenditure)</b>						
Transfers between funds		1,164	2,362	(3,526)	-	-
Gains / (losses) on revaluation of fixed assets		-	-	7,275	7,275	1,510
		<u>130</u>	<u>2,153</u>	<u>6,171</u>	<u>8,454</u>	<u>10,015</u>
<b>Net movement in funds</b>						
<b>Reconciliation of funds</b>						
Total funds at 1 January 2020		18,982	12,050	128,590	159,622	149,607
		<u>19,112</u>	<u>14,203</u>	<u>134,761</u>	<u>168,076</u>	<u>159,622</u>
<b>Total funds at 31 December 2020</b>						
		<u><u>19,112</u></u>	<u><u>14,203</u></u>	<u><u>134,761</u></u>	<u><u>168,076</u></u>	<u><u>159,622</u></u>

All income and expenditure relate to continuing activities.

The notes on pages 21-44 form part of these financial statements.

**ELY DIOCESAN BOARD OF FINANCE  
SUMMARY INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Total funds 2020 £'000</b>	<b>Total funds 2019 £'000</b>
Total income	10,292	11,325
Total expenditure	10,750	(11,147)
<b>Operating surplus / (deficit)</b>	<b>(458)</b>	<b>178</b>
Net gains / (losses) on investment	(785)	2,054
<b>Net income/(expenditure) for the year</b>	<b>(1,243)</b>	<b>2,232</b>
<b>Other comprehensive income:</b>		
Gains / (losses) on revaluation of fixed assets	-	-
Net transfers from / (to) endowments	3,526	(2,346)
<b>Total comprehensive income</b>	<b>2,283</b>	<b>(114)</b>

In accordance with Companies Act requirements this statement presents a summary of the movement on non-endowed funds in the financial year.

**ELY DIOCESAN BOARD OF FINANCE  
GROUP AND CHARITY BALANCE SHEET  
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Group		Charity	
	Note	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed Assets</b>					
Tangible assets	14	<b>92,480</b>	87,712	<b>92,480</b>	87,712
Investments	15	<b>72,138</b>	64,659	<b>70,986</b>	63,583
		<b>164,618</b>	152,371	<b>163,466</b>	151,295
<b>Current Assets</b>					
Stock		<b>734</b>	724	<b>4</b>	4
Assets held for sale		<b>3,455</b>	7,372	<b>3,455</b>	7,372
Debtors	16	<b>1,617</b>	2,327	<b>2,374</b>	3,025
Cash at bank and in hand		<b>1,944</b>	1,759	<b>1,779</b>	1,385
		<b>7,750</b>	12,182	<b>7,612</b>	11,786
<b>Current Liabilities</b>					
Creditors: amounts falling due within one year	17	<b>3,419</b>	3,707	<b>3,246</b>	3,273
<b>Net Current Assets / (Liabilities)</b>		<b>4,331</b>	8,475	<b>4,366</b>	8,513
<b>Total assets less current liabilities</b>		<b>168,949</b>	160,846	<b>167,832</b>	159,808
<b>Creditors: amounts falling due after more than one year</b>					
Pension scheme liabilities	18	<b>60</b>	512	<b>60</b>	<b>512</b>
Other creditors	18	-	-	-	-
<b>Provisions for liabilities and charges</b>	19	<b>813</b>	712	<b>813</b>	<b>712</b>
<b>Net Assets</b>		<b>168,076</b>	159,622	<b>166,959</b>	<b>159,584</b>
<b>Represented by:</b>					
<b>Endowment funds</b>	24	<b>134,761</b>	128,590	<b>134,761</b>	<b>128,590</b>
<b>Restricted income funds</b>	23	<b>14,203</b>	12,050	<b>13,093</b>	<b>11,011</b>
<b>Unrestricted income funds</b>					
General funds	22	<b>6,543</b>	6,059	<b>6,536</b>	<b>6,060</b>
Retreat House	22	<b>429</b>	463	<b>429</b>	<b>463</b>
Other Designated funds	22	<b>12,140</b>	12,460	<b>12,140</b>	<b>12,460</b>
		<b>19,112</b>	18,982	<b>19,105</b>	<b>19,983</b>
<b>Total Funds</b>		<b>168,076</b>	159,622	<b>166,959</b>	<b>158,584</b>

These financial statements were approved by the Board of Trustees on 22 May 2021, and signed on its behalf by:



.....  
The Rt Revd Stephen Conway (Bishop of Ely)



.....  
The Revd Canon Brian Atling (Chair of Finance Committee)

The notes on pages 21-44 form part of these financial statements.

**ELY DIOCESAN BOARD OF FINANCE  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Net cash flow from operating activities (A)</b>	(2,656)	(2,440)
<b>Cash flows from investing activities</b>		
Dividends, interest, and rent from investments	2,122	2,574
Proceeds from the sale of:		
Tangible fixed assets	7,976	2,181
Fixed asset investments	1,645	5,242
Purchase of:		
Tangible fixed assets	(872)	(2,857)
Fixed asset investments	(8,109)	(4,222)
Net cash provided by investing activities	2,762	2,918
<b>Cash flows from financing activities</b>		
Loans repaid	50	(5)
Net cash provided by/(used in) financing activities	50	(5)
Change in cash and cash equivalents in the year	156	473
Cash and cash equivalents as at 1 January 2020	1,738	1,265
<b>Cash and cash equivalents as at 31 December 2020</b>	<b>1,894</b>	<b>1,738</b>

**A: Reconciliation of net movements in funds to net cash flow from operating activities**

	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Net movement in funds for the year-ended 31 December</b>	164	1,559
<b>Adjustments for:</b>		
Depreciation	23	40
Gain on sale of properties	(704)	(294)
Interest and dividends receivable	(2,122)	(2,574)
Repayment of loans advanced	(50)	5
(Increase)/decrease in stock	(10)	(12)
(Increase)/decrease in debtors	710	(221)
Increase/(decrease) in creditors	(768)	(1,048)
Increase/(decrease) in provisions	101	105
<b>Net cash flow from operating activities</b>	<b>(2,656)</b>	<b>(2,440)</b>

**B: Analysis of Net Debt and cash and cash equivalents**

	<b>2020 £</b>	<b>2019 £</b>
Cash at bank and in hand	1,944	1,759
Central Board of Finance for parish loans	(50)	(21)
	<b>1,894</b>	<b>1,738</b>

**ELY DIOCESAN BOARD OF FINANCE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. Accounting policies**

Ely Diocesan Board of Finance is a company limited by guarantee (company number 142183), and a charity (number 245456) registered in England & Wales, and governed by its Memorandum and Articles of Association. Its registered office is given on the administrative details page in the Strategic Report.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Ely Diocesan Board of Finance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Preparation of accounts on a going concern basis**

The financial statements are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The ultimate impact of the COVID 19 pandemic is still unclear, but Diocesan Officers are modelling scenarios should there be a material effect on income, especially considering the temporary closure of places of worship. Expenditure plans are being reviewed as a result of this.

However, the review of our financial position, reserves levels, and future plans together with the expected future cash flows gives Trustees a reasonable expectation that the charity remains a going concern for the foreseeable future. Accordingly, they believe that there are no material uncertainties over the going concern of the charity and continue to adopt the going concern basis in preparing the financial statements.

**Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiaries Ely Diocesan Schools Services Limited and Ely DBF Property Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The surplus of the parent charity was £8,375k (2019: £9,904k).

**Income recognition**

All income is recognised once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.

- i) **Ministry Share** is recognised as income of the year in respect of which it is receivable.
- ii) **Rent receivable** is recognised as income in the period with respect to which it relates.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Parochial fees** are recognised as income of the year to which they relate
- iv) **Donations** other than grants are recognised when receivable.
- v) **Gains on disposal of fixed assets for the Board's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
- vi) **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends.



**ELY DIOCESAN BOARD OF FINANCE  
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**1. Accounting policies (continued)**

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

- i) **Costs of raising funds** are constrained to costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, including the Diocesan Retreat House, and expenditure on education and Church of England schools in the Diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** The Board's staff are members of the Church Workers Pension Fund and clergy are members of the Church of England Funded Pensions Scheme (see note 30). The pension costs charged as expenditure represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the clergy pension scheme to which the Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure allocated to the particular activity where the cost relates directly to that activity.

**Allocation of costs**

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

**Investments**

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**ELY DIOCESAN BOARD OF FINANCE  
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**1. Accounting policies (continued)**

**Fixed assets**

*Freehold and leasehold properties for the charity's own use*

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount. These properties are included at cost.

*Schools*

The Board does not recognise the value of its reversionary interest in the assets of active schools and, in the case of closed schools, only when the ultimate proceeds of disposal have been received.

*Parsonage houses*

The Board has followed the requirements of FRS102 in its accounting treatment for benefice houses (personages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value, calculated by using the midpoint of the council tax banding as adjusted by a published index to reflect changes since the last valuation.

*Other tangible fixed assets*

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Furniture & equipment	12.5-33% per annum straight line
Leasehold improvements	life of lease
Freehold properties	Not Depreciated

A full year of depreciation is charged in the year of addition for all furniture and equipment assets.

**Financial Instruments**

The company 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 carried at either amortised cost or fair value as noted below.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

**Cash**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors**

Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

**Stock and work in progress**

Stock and work in progress is valued at the lower of cost and estimated selling price less costs to complete and sell.

**ELY DIOCESAN BOARD OF FINANCE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. Accounting policies (continued)**

**Funds**

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

- Unrestricted funds are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:
  - General funds which the Board intends to use for the general purposes of the Board; and
  - Designated funds set aside out of unrestricted funds by the Board for a purpose specified by the trustees.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.
- Endowment funds represent money that must be permanently held as capital, and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches. Trusts where the Board acts merely as custodian trustee with no control over the management of the funds, are not included in the financial statements but are summarised in the notes to the financial statements.

**Pension scheme**

The Diocese participates in two defined benefit pension schemes to provide pension benefits based on final pensionable pay, namely the Church of England Funded Pensions Scheme (clergy) and the Church of England Defined Benefits Scheme part of the Church Workers Pension Fund. The Diocese also participates in the Church of England Pension Builder Scheme (formerly known as Defined Contributions Scheme) part of the Church Workers Pension Fund. Details of the schemes are set out in note 26.

The pension costs charged as expenditure represent the Diocese's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Diocese participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

**Judgements and estimates**

In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

*Significant judgements*

**Valuation of Freehold properties and parsonage houses:**

All team vicarages and parsonage houses are revalued to their fair value annually using reliable internal and external information.

**Valuation of liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes:**

These liabilities are revalued at each year end using discount rates which are reassessed annually.

**Residual values of Freehold properties:**

The Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

**ELY DIOCESAN BOARD OF FINANCE  
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**1. Accounting policies (continued)**

*Sources of estimation uncertainty*

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

**ELY DIOCESAN BOARD OF FINANCE  
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**2. Income from donations**

	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
<b>Ministry share</b>		
Current year's allocation net of discounts and rebates	5,603	5,692
	<u>5,603</u>	<u>5,692</u>

Total ministry share receipts represent 94.1% (2019: 98.2%) of the allocation.

All ministry share income is unrestricted.

	<b>Unrestricted 2020 £'000</b>	<b>Restricted 2020 £'000</b>	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
<b>Archbishops' Council</b>				
Chancellor and Registrar	48	-	48	43
Market Towns funding	548	-	548	476
RME grant	-	424	424	313
	<u>596</u>	<u>424</u>	<u>1,020</u>	<u>832</u>

In 2019, £43k of income was unrestricted and £313k was restricted.

	<b>Unrestricted 2020 £'000</b>	<b>Restricted 2020 £'000</b>	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
<b>Other donations</b>				
AllChurches Trust grant	102	-	102	102
Furlough Grants	43	-	43	-
Donations	121	151	272	288
	<u>266</u>	<u>151</u>	<u>417</u>	<u>390</u>

In 2019, £209k of income was unrestricted, £181k was restricted.

**3. Income from charitable activities**

	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
Assigned fees	274	287
Unassigned fees	18	-
Retreat House	102	341
	<u>394</u>	<u>628</u>

All income from charitable activities was unrestricted in both the current and prior year.

**4. Income from other activities**

	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
Rental income from vacant parsonages	258	210
Other trading activities – Subsidiary companies	-	65
	<u>258</u>	<u>275</u>

All income from other activities is unrestricted.

**ELY DIOCESAN BOARD OF FINANCE  
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**5. Income from investments**

	<b>Unrestricted Funds 2020 £'000</b>	<b>Restricted Funds 2020 £'000</b>	<b>Endowment Funds 2020 £'000</b>	<b>Total Funds 2020 £'000</b>
Investment income	533	1,586	-	2,119
Glebe rents receivable	463	-	-	463
Interest received	3	-	-	3
	<u>999</u>	<u>1,586</u>	<u>-</u>	<u>2,585</u>

**Comparative analysis for 2019**

	<b>Unrestricted Funds 2019 £'000</b>	<b>Restricted Funds 2019 £'000</b>	<b>Endowment Funds 2019 £'000</b>	<b>Total Funds 2019 £'000</b>
<i>Investment income</i>	827	1,741	-	2,568
<i>Glebe rents receivable</i>	464	-	-	464
<i>Interest received</i>	6	-	-	6
	<u>1,297</u>	<u>1,741</u>	<u>-</u>	<u>3,038</u>

**6. Other income**

	<b>Unrestricted Funds 2020 £'000</b>	<b>Restricted Funds 2020 £'000</b>	<b>Endowment Funds 2020 £'000</b>	<b>Total Funds 2020 £'000</b>	<b>Total Funds 2019 £'000</b>
Gain/(losses) on sale of properties	-	-	-	-	434
Other income	-	-	-	-	36
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>470</u>
<b>TOTAL INCOME</b>	<u>8,116</u>	<u>2,161</u>	<u>-</u>	<u>10,277</u>	<u>11,325</u>

*All other income in 2019 was restricted*

**ELY DIOCESAN BOARD OF FINANCE  
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**7. Expenditure on raising funds**

	<b>Unrestricted Funds 2020 £'000</b>	<b>Restricted Funds 2020 £'000</b>	<b>Endowment Funds 2020 £'000</b>	<b>Total Funds 2020 £'000</b>
Let houses expenses	49	-	-	49
Glebe management costs	83	-	26	109
Investment managers costs	-	102	83	185
Loss on sale of fixed assets	-	35	(739)	(704)
	<u>132</u>	<u>137</u>	<u>(630)</u>	<u>(361)</u>

**Comparative analysis for 2019**

	<b>Unrestricted Funds 2019 £'000</b>	<b>Restricted Funds 2019 £'000</b>	<b>Endowment Funds 2019 £'000</b>	<b>Total Funds 2019 £'000</b>
<i>Let houses expenses</i>	46	-	-	46
<i>Glebe management costs</i>	81	-	10	91
<i>Investment managers costs</i>	-	90	126	216
<i>Loss on sale of fixed assets</i>	-	35	105	140
	<u>127</u>	<u>125</u>	<u>241</u>	<u>493</u>

**8. Expenditure on charitable activities**

	<b>Unrestricted Funds 2020 £'000</b>	<b>Restricted Funds 2020 £'000</b>	<b>Endowment Funds 2020 £'000</b>	<b>Total Funds 2020 £'000</b>
<b>Contributions to Archbishops' Council</b>				
Training for the Ministry	277	-	-	277
National Church Responsibilities	231	-	-	231
Church's Housing Assistance for Retired Ministry	99	-	-	99
Mission agency pension contributions	10	-	-	10
	<u>617</u>	<u>-</u>	<u>-</u>	<u>617</u>
<b>Resourcing Ministry and Mission</b>				
Ministry in parishes				
Stipends, national insurance & pensions	3,028	1,303	-	4,331
Housing costs	1,235	-	-	1,235
Ministry selection and training	1,641	427	-	2,068
Clergy support	443	-	-	443
Other expenses	20	4	-	24
	<u>6,367</u>	<u>1,734</u>	<u>-</u>	<u>8,101</u>
Support for ministry in parishes	1,223	-	-	1,223
Retreat House	193	-	-	193
	<u>7,783</u>	<u>1,734</u>	<u>-</u>	<u>9,517</u>
<b>Expenditure on education</b>				
Support for church schools	-	340	-	340
<b>Total charitable activities</b>	<u><b>8,532</b></u>	<u><b>2,211</b></u>	<u><b>(630)</b></u>	<u><b>10,113</b></u>

**ELY DIOCESAN BOARD OF FINANCE  
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**8. Expenditure on charitable activities (continued)**

<b>Comparative analysis for 2019</b>	<b>Unrestricted Funds 2019 £'000</b>	<b>Restricted Funds 2019 £'000</b>	<b>Endowment Funds 2019 £'000</b>	<b>Total Funds 2019 £'000</b>
<b>Contributions to Archbishops' Council</b>				
Training for the Ministry	277	-	-	277
National Church Responsibilities	243	-	-	243
Church's Housing Assistance for Retired Ministry	95	-	-	95
Mission agency pension contributions	3	-	-	3
	<u>618</u>	<u>-</u>	<u>-</u>	<u>618</u>
<b>Resourcing Ministry and Mission</b>				
Ministry in parishes				
Stipends, national insurance, & pensions	2,844	1,406	-	4,250
Housing costs	1,438	-	-	1,438
Ministry selection and training	1,763	338	-	2,101
Clergy support	571	-	-	571
Other expenses	57	-	-	57
	<u>6,673</u>	<u>1,744</u>	<u>-</u>	<u>8,417</u>
Support for ministry in parishes	1,204	-	-	1,204
Retreat House	308	-	-	308
	<u>8,185</u>	<u>1,744</u>	<u>-</u>	<u>8,785</u>
<b>Expenditure on education</b>				
Support for church schools	76	272	-	348
<b>Total charitable activities</b>	<u>8,879</u>	<u>2,016</u>	<u>-</u>	<u>10,895</u>

**9. Analysis of expenditure including allocation of support costs**

	<b>Activities undertaken directly 2020 £'000</b>	<b>Grant funding of activities 2020 £'000</b>	<b>Support costs 2020 £'000</b>	<b>Total Funds 2020 £'000</b>
Raising funds	(361)	-	-	(361)
Charitable activities				
Contributions to Archbishops' Council	-	617	-	617
Resourcing parish ministry	8,316	235	773	9,324
Education	224	-	116	340
Retreat House	193	-	-	193
	<u>8,372</u>	<u>852</u>	<u>889</u>	<u>10,113</u>
<b>Comparative analysis for 2019</b>				
	<b>Activities undertaken Directly 2019 £'000</b>	<b>Grant funding of activities 2019 £'000</b>	<b>Support Costs 2019 £'000</b>	<b>Total Board Funds 2019 £'000</b>
Raising funds	493	-	-	493
Charitable activities				
Contributions to Archbishops' Council	-	618	-	618
Resourcing Parish Ministry	8,591	282	711	9,621
Education	165	-	107	348
Retreat House	308	-	-	308
	<u>9,557</u>	<u>900</u>	<u>818</u>	<u>10,197</u>



**ELY DIOCESAN BOARD OF FINANCE  
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**10. Analysis of support costs**

	<b>Unrestricted Funds 2020 £'000</b>	<b>Restricted Funds 2020 £'000</b>	<b>Endowment Funds 2020 £'000</b>	<b>Total Funds 2020 £'000</b>
Central administration	645	-	645	596
Support for School	-	116	116	107
Governance:				
External audit	20	-	20	18
Registrar and Chancellor	108	-	108	97
	<u>773</u>	<u>116</u>	<u>889</u>	<u>818</u>
<b>Comparative analysis for 2019</b>				
	<b>Unrestricted Funds 2019 £'000</b>	<b>Restricted Funds 2019 £'000</b>	<b>Endowment Funds 2019 £'000</b>	<b>Total Funds 2019 £'000</b>
Central administration	596	-	-	596
Support for School	-	107	-	107
Governance:				
External audit	18	-	-	18
Registrar and Chancellor	97	-	-	97
	<u>711</u>	<u>107</u>	<u>-</u>	<u>818</u>

**11. Analysis of grants made**

	<b>Number of grants</b>	<b>Individuals 2020 £'000</b>	<b>Institutions 2020 £'000</b>	<b>Total 2020 £'000</b>
<b>From unrestricted funds for National Church responsibilities</b>				
Contributions for Archbishops' Council	5	-	618	618
<b>From unrestricted funds:</b>				
PCCs for Church inspection fees	46	-	33	33
Ordinands in training	19	136	-	136
PCCs for Faculty fees	252	-	22	22
Diocese Mission Projects	-	-	-	-
Continuing ministerial training	16	4	-	4
	<u>333</u>	<u>140</u>	<u>55</u>	<u>195</u>
<b>Total</b>	<u>338</u>	<u>140</u>	<u>673</u>	<u>813</u>
	<b>Number of grants</b>	<b>Individuals 2019 £'000</b>	<b>Institutions 2019 £'000</b>	<b>Total 2019 £'000</b>
<b>From unrestricted funds for National Church responsibilities</b>				
Contributions for Archbishops' Council	5	-	593	593
<b>From unrestricted funds:</b>				
PCCs for Church inspection fees	63	-	45	45
Ordinands in training	29	92	-	92
PCCs for Faculty fees	154	-	26	26
Diocese Mission Projects	-	-	-	-
Continuing ministerial training	58	12	-	12
	<u>294</u>	<u>103</u>	<u>71</u>	<u>174</u>
<b>Total</b>	<u>299</u>	<u>103</u>	<u>664</u>	<u>767</u>

**ELY DIOCESAN BOARD OF FINANCE  
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**12. Net income for the year**

	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
<b>Net income for the year is stated after charging:</b>		
Depreciation	23	40
Auditors' remuneration	20	29
	<u>23</u>	<u>40</u>

**13. Staff Costs**

	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
The aggregate costs of staff were:		
Wages and salaries	1,562	1,489
Social security costs	155	143
Pension contributions	165	160
	<u>1,881</u>	<u>1,792</u>

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

	<b>2020</b>	<b>2019</b>
Resourcing ministry and mission	37	37
Schools fund	2	2
Retreat House	4	7
	<u>44</u>	<u>45</u>

There was one member of staff whose emoluments (including benefits but excluding pension contributions) amounted to between £120,001 and £130,000 and one between £70,001 and £80,000 (2019 - two member of staff between £70,001 and £80,000). Pension payments of £19,635 (2019: £15,105) were made for these employees.

**Remuneration of key management personnel**

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Diocese. During 2020 they were:

Diocesan Secretary	Canon Paul Evans
Director of Education	Mr Andrew Read

Remuneration, pensions and expenses for these two employees amounted to £240,672 (2019: £185,029).

**Trustees' emoluments**

No trustee received any remuneration for services as trustee. Two trustees received travelling and out of pocket expenses, totalling £856 (2019 - £2,456) in respect of Bishop's Council duties.

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

	<b>Stipend</b>	<b>Housing</b>
The Revd Martin Dale	Yes	Yes
The Revd Canon Adrian Daffern	Yes	Yes
The Ven Dr Alex Hughes	Yes	Yes
The Revd Anna Matthews	Yes	Yes
The Ven Hugh McCurdy	Yes	Yes
The Revd Alison Myers	Yes	Yes
The Revd Canon Nick Moir	Yes	Yes
The Revd Simon Talbott	Yes	Yes
The Revd Jason Taylor	Yes	Yes

**ELY DIOCESAN BOARD OF FINANCE  
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**13. Staff costs (continued)**

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 Bishop but excluding the Diocesan Bishop and cathedral staff.

The Board paid an average of 122 (2019: 122) stipendiary clergy as office-holders holding parochial or Diocesan appointments in the Diocese and the costs were as follows:

	<b>2020 £'000</b>	<b>2019 £'000</b>
Stipends	2,798	2,634
National Insurance contributions	204	202
Pension costs – current year	962	953
Pension costs – deficit reduction	(382)	(294)
Other costs	27	119
	<u>3,609</u>	<u>3,614</u>

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

The stipends of the Diocesan Bishop and the Suffragan Bishop are funded by the Church Commissioners and are in the range £37,670-£46,650 (2019 range £36,930-£45,640). The annual rate of stipend, funded by the EDBF, paid to Archdeacons in 2020 was in the range £36,830-£38,250 (2019 range £36,100 - £27,490) and other clergy who were trustees were paid in the range £26,900-£27,000 (2019 range £26,372-£26,470).

The Board has estimated the value to the occupant, gross of income tax and national insurance, of church-provided housing for 2020/19 at £19,600 and for 2019/18 at £9,600.

**14. Tangible Fixed Assets (Board and Consolidated)**

	<b>Board assets: Freehold properties £'000</b>	<b>Team Vicarages £'000</b>	<b>Parsonage Houses £'000</b>	<b>Leasehold property improve- ments £'000</b>	<b>Furniture &amp; equip- ment £'000</b>	<b>Assets under construc- tion £'000</b>	<b>Retreat House £'000</b>	<b>Total £'000</b>
<b>Cost</b>								
At 1 January	12,423	3,493	70,273	269	249	1,388	328	88,423
Additions	273	-	-	-	16	583	-	872
Disposals	-	-	(503)	-	-	-	-	(503)
Revaluation	-	229	7,046	-	-	-	-	7,275
Transfers	447	(821)	1,423	-	-	(1,049)	-	-
Transfers to current assets	(524)	-	(2,328)	-	-	-	-	(2,852)
At 31 December	<u>12,169</u>	<u>2,901</u>	<u>75,914</u>	<u>269</u>	<u>265</u>	<u>918</u>	<u>328</u>	<u>93,214</u>
<b>Depreciation</b>								
At 1 January	-	-	-	269	199	-	243	711
Charge for the year	-	-	-	-	23	-	-	23
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>269</u>	<u>222</u>	<u>-</u>	<u>243</u>	<u>734</u>
<b>Net book value</b>								
At 31 December 2020	<u>12,169</u>	<u>2,901</u>	<u>75,914</u>	<u>-</u>	<u>43</u>	<u>918</u>	<u>85</u>	<u>92,480</u>
At 31 December 2019	<u>12,423</u>	<u>3,493</u>	<u>70,273</u>	<u>-</u>	<u>50</u>	<u>1,388</u>	<u>85</u>	<u>87,712</u>

**ELY DIOCESAN BOARD OF FINANCE  
NOTES TO THE ACCOUNTS  
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**14. Tangible Fixed Assets (continued)**

**Use of Fixed Assets**

All of the Board's tangible fixed assets are used for direct charitable purposes with the exception of the investment glebe land, the leasehold property and some of the furniture and equipment which is used for management and administration.

**Subsidiary Companies**

Fixed assets represents an investment property held by Ely DBF Property Ltd.

**Parsonages**

Benefice houses are legally vested in incumbents as freeholders but the proceeds of any sale following a pastoral reorganisation belong to the Diocesan Pastoral Account. The Diocese is responsible for all upkeep and maintenance. As at 31 December 2020 the Diocese was responsible for 118 parsonage properties. Minor capital works of £21,256 (2019: £37,571) were not capitalised but charged against the Pastoral Account. The deemed cost of the parsonages is £28,734,624.

**Team Vicarages**

Together with subsequent purchases less sales, there are now vested in the Board 7 team vicarages. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. The deemed cost of the team vicarages is £898,496.

**15. Investments**

	<b>Group</b>		<b>Board</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 January 2020	64,659	58,733	63,578	57,820
Additions	8,109	4,222	8,109	4,222
Disposals	(1,645)	(5,242)	(1,645)	(5,242)
Revaluation	1,015	6,946	944	6,783
Transferred to Assets held for sale	-	-	-	-
Carried forward	<u>72,138</u>	<u>64,659</u>	<u>70,896</u>	<u>63,583</u>

Investment assets include both Glebe land and Schools Fund investment properties, which had been classified as Fixed Assets in previous financial statements however are held for investment purposes.

**Invested in:**

**Central Board of Finance (CCLA):**

Investment fund	24,983	23,620	24,983	23,620
Property fund	6,177	5,613	6,177	5,613
Global markets fund	8,805	7,397	8,805	7,397
Deposits	3,086	1,301	3,086	1,301
Managed investments	-	-	-	-

**N W Brown Investment Managers**

Investment fund	9,610	11,322	9,610	11,322
Deposits	116	265	116	265

**Edentree**

Investment Fund	3,522	3,692	3,522	3,692
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**Rathbones investments**

Investment funds	9,849	9,227	9,849	9,227
Deposits	71	365	71	365

**Investment property**

Glebe	4,322	333	4,322	333
Schools Fund	437	437	437	437
Other	37	37	-	-

Other investments	8	10	8	10
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Subsidiary trusts	1,110	1,039	-	-
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<b>Total investments</b>	<u><u>72,133</u></u>	<u><u>64,658</u></u>	<u><u>70,986</u></u>	<u><u>63,583</u></u>
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**ELY DIOCESAN BOARD OF FINANCE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. Investments (continued)**

**Subsidiary Trusts**

Trusts where the Board is both the custodian and the beneficiary.

**Glebe Land**

Under the provisions of the Endowments and Glebe Measure 1976, the ownership of glebe land was transferred to the Board from 1 April 1978. Together with subsequent purchases less sales, there are now vested in the Board 5,099 acres of glebe land. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. It is not possible to calculate the cost of the Glebe land.

**Subsidiary companies**

The Board owns 100% of the issued share capital of Ely Diocesan Schools Services Limited (Company Number: 05037336) and Ely DBF Property Limited (Company Number: 05957128), companies incorporated in England, whose principal activities are those of providing project management services to schools and construction, and property development respectively. Both entities have the same registered office as the parent charity. The cost of these investments is £2.

The results for the year for the trading subsidiaries are as follows:

	<b>Ely DBF Property Limited £</b>	<b>Ely Diocesan Schools Services Limited £</b>
Income	432	15,901
Expenditure	(6,440)	(6,609)
	<hr/>	<hr/>
(Loss)/Profit for the year	(6,008)	9,292
	<hr/>	<hr/>
Fixed assets	37,214	-
Net current (liabilities)/assets	(45,390)	13,369
	<hr/>	<hr/>
Net (liabilities)/assets	(8,176)	13,369
	<hr/>	<hr/>

**16. Debtors**

	<b>Group</b>		<b>Board</b>	
	<b>2020 £'000</b>	<b>2019 £'000</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Ministry share	111	409	111	409
Other debtors	1,223	1,638	1,213	1,626
Prepayments and accrued income	233	280	233	280
Loans to parishes	50	-	50	-
Due from subsidiary companies:				
Ely Diocesan School Services Limited	-	-	7	7
Ely DBF Property Limited	-	-	760	703
	<hr/>	<hr/>	<hr/>	<hr/>
	1,617	2,327	2,374	3,025
	<hr/>	<hr/>	<hr/>	<hr/>

Loans to parishes do not include any debtors due after more than one year.

**ELY DIOCESAN BOARD OF FINANCE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**17. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Board</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Central Board of Finance for parish loans	50	21	50	21
Other creditors	1,706	1,767	1,553	1,362
School governing bodies	708	118	708	118
Accruals and deferred income	556	919	536	890
Clergy Pension scheme	399	382	339	382
Loans	-	500	-	500
	<u>3,419</u>	<u>3,707</u>	<u>3,246</u>	<u>3,273</u>

**18. Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Board</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Central Board of Finance for parish loans				
Payable within 5 years	-	-	-	-
Payable in more than 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pension scheme liabilities				
Clergy pension scheme	60	512	60	512
	<u>60</u>	<u>512</u>	<u>60</u>	<u>512</u>

**19. Provisions for liabilities and charges**

	<b>Group</b>		<b>Board</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Parsonage housing repairs	778	677	778	677
Restructuring	35	35	35	35
	<u>813</u>	<u>712</u>	<u>813</u>	<u>712</u>

The movement on provisions is as follows:

Balance at 1 January 2020	712	607	712	607
Provision used during the year				
Parsonage housing repair	(252)	(174)	(252)	(174)
Restructuring	-	(35)	-	(35)
New provision in year – parsonage housing repairs	353	314	353	314
Balance at 31 December 2020	<u>813</u>	<u>712</u>	<u>813</u>	<u>712</u>

**20. Revaluation Reserve**

	<b>Group</b>		<b>Board</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 January	71,775	63,319	70,840	62,547
Revaluation of fixed assets	7,275	1,510	7,275	1,510
Revaluation of investment assets	1,015	6,946	944	6,783
Balance at 31 December	<u>80,065</u>	<u>71,775</u>	<u>79,059</u>	<u>70,840</u>

**ELY DIOCESAN BOARD OF FINANCE  
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**21. Financial commitments**

Total commitments under non-cancellable operating leases are as follows:

	<b>Group and Board</b>	
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Office equipment with payments falling due:		
Due within one year	1	1
Due in between one and five years	2	3
	<u>3</u>	<u>4</u>

**22. Unrestricted funds**

<b>Board</b>							
	<b>At 1 January 2020 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Net income/ (expend- iture) £'000</b>	<b>Gains/ losses £'000</b>	<b>Transfers £'000</b>	<b>At 31 December 2020 £'000</b>
<b>Designated funds</b>							
Pastoral property reserve	10,618	-	-	-	-	209	10,827
Long term parsonage repair reserve	7	-	-	-	-	-	7
Ely 2025 growth fund	444	-	(149)	(149)	-	(177)	118
Murrow Church	13	2	-	2	-	-	15
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,267	594	(799)	(205)	-	-	1,062
	<u>12,460</u>	<u>596</u>	<u>(948)</u>	<u>(352)</u>	<u>-</u>	<u>32</u>	<u>12,140</u>
Retreat House	463	145	(193)	(48)	14	-	429
General funds	6,060	7,375	(7,391)	(16)	(640)	1,132	6,536
	<u>18,983</u>	<u>8,116</u>	<u>(8,532)</u>	<u>(416)</u>	<u>(626)</u>	<u>1,164</u>	<u>19,105</u>
<b>Group</b>							
	<b>At 1 January 2020 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Net income/ (expend- iture) £'000</b>	<b>Gains/ losses £'000</b>	<b>Transfers £'000</b>	<b>At 31 December 2020 £'000</b>
<b>Designated funds</b>							
Pastoral property reserve	10,618	-	-	-	-	209	10,827
Long term parsonage repair reserve	7	-	-	-	-	-	7
Ely 2025 growth fund	444	-	(149)	(149)	-	(177)	118
Murrow Church	13	2	-	2	-	-	15
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,267	594	(799)	(205)	-	-	1,062
	<u>12,460</u>	<u>596</u>	<u>(948)</u>	<u>(352)</u>	<u>-</u>	<u>32</u>	<u>12,140</u>
Retreat House	463	145	(193)	(48)	14	-	429
General funds	6,059	7,390	(7,398)	(8)	(640)	1,132	6,543
	<u>18,982</u>	<u>8,131</u>	<u>(8,539)</u>	<u>(408)</u>	<u>(626)</u>	<u>1,164</u>	<u>19,112</u>

**ELY DIOCESAN BOARD OF FINANCE  
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**22. Unrestricted funds (continued)**

*2019 comparatives: Board*

	At 1 January 2019 £'000	Income £'000	Expenditure £'000	Net income/ (expend- iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2019 £'000
<b>Designated funds</b>							
Pastoral property reserve	10,526	-	-	-	-	92	10,618
Long term parsonage repair reserve	125	-	(118)	(118)	-	-	7
Ely 2025 growth fund	658	-	(214)	(214)	-	-	444
Murrow Church	13	-	-	-	-	-	13
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,162	940	(835)	105	-	-	1,267
	<u>12,595</u>	<u>940</u>	<u>(1,167)</u>	<u>(227)</u>	<u>-</u>	<u>92</u>	<u>12,025</u>
Retreat House	386	371	(308)	63	14	-	463
General funds	<u>5,164</u>	<u>7,698</u>	<u>(7,415)</u>	<u>283</u>	<u>1,785</u>	<u>(1,172)</u>	<u>6,060</u>
	<u>18,145</u>	<u>9,009</u>	<u>(8,890)</u>	<u>119</u>	<u>1,799</u>	<u>(1,080)</u>	<u>18,983</u>

*2019 comparatives: Group*

	At 1 January 2019 £'000	Income £'000	Expenditure £'000	Net income/ (expend- iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2019 £'000
<b>Designated funds</b>							
Pastoral property reserve	10,526	-	-	-	-	92	10,618
Long term parsonage repair reserve	125	-	(118)	(118)	-	-	7
Ely 2025 growth fund	658	-	(214)	(214)	-	-	444
Murrow Church	13	-	-	-	-	-	13
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,162	940	(835)	105	-	-	1,267
	<u>12,595</u>	<u>940</u>	<u>(1,167)</u>	<u>(227)</u>	<u>-</u>	<u>92</u>	<u>12,025</u>
Retreat House	386	371	(308)	63	14	-	463
General funds	<u>5,214</u>	<u>7,763</u>	<u>(7,531)</u>	<u>232</u>	<u>1,785</u>	<u>(1,172)</u>	<u>6,059</u>
	<u>18,195</u>	<u>9,074</u>	<u>(9,006)</u>	<u>68</u>	<u>1,799</u>	<u>(1,080)</u>	<u>18,982</u>

**Pastoral Property Reserve**

The Pastoral Property Reserve represents the amount invested in pastoral property.

**Murrow Church**

Funds held by the Board arising from the sale of the Chapel of Ease for the benefit of Murrow Church fabric.

**Ely 2025 Growth Fund**

This fund has been consolidated to promote mission and ministry in accordance with the Diocese of Ely Strategy to 2025. An additional £200k has been designated towards the Fund in the financial year.

**Hampton Church**

Accumulated interest on the inter-group loans in relation to the Hampton Church build costs.



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**Market Towns**

The aim of this project is to make real in the Diocese of Ely's market towns, the Church of England's commitment to be a Christian presence everywhere. It seeks by grace to transform that presence from one which is declining and diminishing to one which is fit to engage fully and courageously with these communities in times of challenge and change.

**23. Restricted funds**

**Board**

	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Net income/ (expend- iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2020 £'000
Diocesan Pastoral Account	10,705	54	(66)	(12)	(230)	2,327	12,790
Diocesan Stipends Fund	-	1,399	(1,399)	-	-	-	-
Income Account	61	-	-	-	-	-	61
New Churches Fund	149	(20)	8	(12)	-	-	137
Clergy Well-being fund	-	424	(414)	10	-	-	10
RME Fund	96	304	(340)	(36)	-	35	95
Schools fund							
	<u>11,011</u>	<u>2,161</u>	<u>(2,211)</u>	<u>(50)</u>	<u>(230)</u>	<u>2,362</u>	<u>13,093</u>

**Group**

	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Net income/ (expend- iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2020 £'000
Diocesan Pastoral Account	10,705	54	(66)	(12)	(230)	2,327	12,790
Diocesan Stipends Fund	-	1,399	(1,399)	-	-	-	-
Income Account	61	-	-	-	-	-	61
New Churches Fund	149	(20)	8	(12)	-	-	137
Clergy Well-being fund	-	424	(414)	10	-	-	10
RME Fund	96	304	(340)	(36)	-	35	95
Schools fund							
Subsidiary trusts	1,039	-	-	-	71	-	1,110
	<u>12,050</u>	<u>2,161</u>	<u>(2,211)</u>	<u>(50)</u>	<u>(159)</u>	<u>2,362</u>	<u>14,023</u>

**ELY DIOCESAN BOARD OF FINANCE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**23. Restricted funds (continued)**

*2019 comparatives*

	At 1 January 2019 £'000	Income £'000	Expenditure £'000	Net income/ (expend- iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2019 £'000
Diocesan Pastoral Account	11,869	123	(78)	45	92	(1,301)	10,705
Diocesan Stipends Fund Income Account	1	1,490	(1,491)	(1)	-	-	-
New Churches Fund	61	-	-	-	-	-	61
Clergy Well-being fund	133	16	-	16	-	-	149
RME Fund	(13)	313	(300)	13	-	-	-
Schools fund	24	309	(272)	37	-	35	96
Subsidiary trusts	876	-	-	-	163	-	1,039
	<u>12,951</u>	<u>2,251</u>	<u>(2,141)</u>	<u>110</u>	<u>255</u>	<u>(1,266)</u>	<u>12,050</u>

**Diocesan Pastoral Account**

The purposes are laid down in the Mission and Pastoral Measure 2011 and mainly relate to:

- Costs incurred for the purposes of the Measure, or any scheme or order made under the Measure, except for salaries of regular Diocesan employees;
- Costs of disposing of or maintaining houses or churches vested in the Board or Commissioners;
- Costs incurred for the benefit of another diocese(s); and
- Transfers to the Diocesan Stipend Fund Capital or Income Accounts.

Where monies are not required for the above they may be considered for other purposes of the Diocese. Board properties are funded from the Diocesan Pastoral Account (DPA). When such properties are sold, the proportion of proceeds equal to the sums used to purchase the property are transferred to the DPA. Any surplus realised from the sale of the property is, at the Board's discretion, transferred into the DPA, or transferred to an existing or new designated fund of the Board.

**Diocesan Stipends Fund Income Account**

Subject to any charges imposed by scheme or order the Fund shall be applied to:

- Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese;
- Meet expenses incurred in repairing and maintaining parsonage houses;
- Pay secondary Class 1 contributions in respect of ministers not employed under a contract of service; and
- Defray sequestrators' expenses.

**New Churches Fund**

This fund is used to fund the establishment of new church buildings

**Anthony Edward Brookes Fund for the Well-being of the Clergy (Clergy Well-Being Fund)**

This fund is for the benefit of the well-being of clergy.

**RME Fund**

Upon receipt of the Block Grant from the Archbishops' Council, the Diocese must pay it into the Resourcing for Ministerial Education (RME) Fund for ministerial education training for the ordinands they sponsor. The Block Grant can only be spent on Initial Ministerial Education pathways, which have been approved by Ministry Division at accredited Theological Education Institutions (TEIs).

**ELY DIOCESAN BOARD OF FINANCE  
NOTES TO THE ACCOUNTS  
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**24. Expendable Endowments**

**Board and Group**

	At 1 January 2020 £'000	Income £'000	Expen- diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2020 £'000
Stipends Capital Fund	42,710	-	656	<b>656</b>	1,570	(655)	44,821
Glebe	4,341	-	(26)	<b>(26)</b>	50	(43)	4,322
Team Vicarage Fund	3,493	-	-	-	229	(821)	2,901
Parsonage Houses Fund	73,685	-	-	-	7,037	(2,007)	78,715
Schools Fund	4,361	-	-	-	181	-	4,542
	<u>128,590</u>	<u>-</u>	<u>630</u>	<u><b>630</b></u>	<u>9,067</u>	<u>(3,526)</u>	<u>134,761</u>

**2019 Comparatives**

	At 1 January 2019 £'000	Income £'000	Expen- diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2019 £'000
Stipends Capital Fund	31,728	-	(231)	<b>(231)</b>	6,082	5,131	42,710
Glebe	8,363	-	(10)	<b>(10)</b>	(26)	(3,986)	4,341
Team Vicarage Fund	3,398	-	-	-	95	-	3,493
Parsonage Houses Fund	71,069	-	-	-	1,415	1,201	73,685
Schools Fund	3,903	-	-	-	458	-	4,361
	<u>118,461</u>	<u>-</u>	<u>(241)</u>	<u><b>(241)</b></u>	<u>8,024</u>	<u>2,346</u>	<u>128,590</u>

**Stipends Capital Fund, Glebe and Team Vicarage Fund**

These are capital funds held under the terms of the Endowments and Glebe Measure 1976 and the Miscellaneous Provisions Measure 1992 and principally comprise freehold properties and shares in the CBF Investment Fund, CBF Property Fund and the CBF Deposit Fund. Together they form the Diocesan Stipends Fund. Receipts arise mainly from the sale of glebe properties, grants of easement, and variations of restricted covenants.

**Parsonage Houses Fund**

This Fund represents the stock of parsonage houses, i.e. houses held as benefice property for occupation by incumbents. A parsonage house is required for each benefice and the funding of improvements and new and replacement parsonage houses is the responsibility of the Board.

**Schools Fund**

The income of these funds primarily represents income investments and donations. The fund balance is made up of the proceeds from closed schools and donations and is used primarily towards improvement costs at church voluntary aided schools.

During the year the Schools Fund expended £717k on projects as agent for the schools' governing bodies.

**ELY DIOCESAN BOARD OF FINANCE  
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FOR THE YEAR ENDED 31 DECEMBER 2020**

**25. Analysis of net assets between funds**

Funds at 31 December 2020 are represented by:

**Board**

	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Total £'000</b>
Fixed assets	12,742	278	79,460	92,480
Investments	16,034	2,670	52,282	70,986
Net current assets / (liabilities)	2,119	81	2,166	4,366
Non-current liabilities	-	-	(60)	(60)
Provisions	(813)	-	-	(813)
	<u>30,082</u>	<u>3,029</u>	<u>133,848</u>	<u>166,959</u>
Interfund borrowing	(10,973)	10,059	914	-
Net assets	<u>19,109</u>	<u>13,088</u>	<u>134,762</u>	<u>166,959</u>

**Group**

	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Total £'000</b>
Fixed assets	12,742	278	79,460	92,480
Investments	16,071	3,780	52,282	72,133
Net current assets / (liabilities)	2,245	81	2,166	4,492
Non-current liabilities	-	-	(60)	(60)
Provisions	(813)	-	-	(813)
	<u>30,245</u>	<u>4,139</u>	<u>133,848</u>	<u>168,232</u>
Interfund borrowing	(10,973)	10,059	914	-
Net assets	<u>19,272</u>	<u>14,198</u>	<u>134,762</u>	<u>168,232</u>

*Funds (Group) at 31 December 2019 are represented by:*

	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Total £'000</b>
<i>Fixed assets</i>	29,642	2,655	120,074	152,371
<i>Net current assets / (liabilities)</i>	(9,948)	9,395	9,028	8,475
<i>Non-current liabilities</i>	(712)	-	(512)	(1,224)
	<u>18,982</u>	<u>12,050</u>	<u>128,590</u>	<u>159,622</u>

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**26. Pensions**

**Church of England Funded Pension Scheme**

The Board participates in the Church of England Funded Pensions Scheme for stipendiary clergy. 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 a specific Responsible Body, and this means contributions are accounted for as if the scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2020: £901,881, 2019: £245,968), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total charge of £1,336,881 for 2020 (2019: £1,281,032).

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 2015. A valuation at 31 December 2020 is currently under way, but the results of this are yet to be determined. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
  - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2020 and thereafter increasing linearly to 70% by 31 December 2030 (with the remainder in return-seeking assets); and
  - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long-term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below:

	1 January 2019 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

The deficit recovery contributions under the recovery plan in force as at 31 December 2016, 31 December 2019 and 31 December 2020 were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below:

	<b>2020 £'000</b>	<b>2019 £'000</b>
Balance sheet liability at 1 January	894	2,421
Deficit contribution paid	(399)	(382)
Interest cost (recognised in SoFA)	8	47
Remaining change to the balance sheet liability* (recognised in SofA)	(44)	(1,192)
Balance sheet liability at 31 December	<u>459</u>	<u>894</u>

## **26. Pensions (continued)**

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	3.2% pa	1.1% pa	2.1% pa
Price inflation	3.4% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	3.4% pa	1.3% pa	1.6% pa

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

### **Church Workers Pension Fund**

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

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

#### Pension builder scheme

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

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2020: £124,326 , 2019: £92,509).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

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**26. Pensions (continued)**

Defined Benefits Scheme

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

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

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2020: £49,514, 2019: £48,490) 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 £83,014 for 2020 (2019: £48,490).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, 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 on the advice of the Actuary.

A valuation of DBS is carried out once every three years. The most recent was carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m 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 £26.2m.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 18% of pensionable salary and expenses of £5,900 per year. In addition deficit payments of £52,177 per year have been agreed for 6.25 years from 1 April 2020 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	<b>2020 £'000</b>	<b>2019 £'000</b>
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SofA)	34	-
	<hr/>	<hr/>
Balance sheet liability at 31 December	34	-
	<hr/> <hr/>	<hr/> <hr/>

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

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**26. Pensions (continued)**

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.0% pa	0.0% pa	0.0% pa

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

The next valuation of the scheme is being carried out as at December 2020.

**27. Related Party Transactions**

Ely DBF Property Limited and Ely Diocesan Schools Services Limited are both wholly-owned subsidiaries of Ely Diocesan Board of Finance, whose financial statements are both publicly available.

At 31 December 2020, £760k was owed from Ely DBF Property Services Limited and £7k was owed from Ely Diocesan Schools Services Limited to the parent charity. There is no interest charged and no fixed repayment on either balance.

During the previous year, Ely Diocesan Board of Finance purchased a property from Ely DBF Property Limited for £2m.

**28. Post Balance Sheet Events and Contingent Liabilities**

Since the year end, the COVID-19 pandemic has continued to have a huge impact across the world but there are now positive influences resulting from the commencement of vaccination programmes and countries opening up after being placed in lockdown and UK financial markets have improved as a result

The crisis has also had an impact on the operations of the DBF. A number of events continue to be cancelled and Diocesan Officers modelled the impact of various scenarios for 2021 involving reductions in income streams and the possibility of cancelling or postponing areas of expenditure. Most employees are, however, working effectively from home and every effort is being made to continue to provide as many of our services as possible.

Trustees will continue to monitor the changing operational landscape and impact on assets and related income. Cashflow is being monitored closely and potential cost savings identified, either as a natural consequence of the crisis or by postponement of certain expenditure, to ensure that the DBF can operate within its available resources. Quinquennial works and recruitment to vacant posts that were put on hold are now underway.



**ELY DIOCESAN BOARD OF FINANCE  
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**29. Trust funds**

The Board acts as 'Diocesan Authority' or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are PCCs and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. The financial assets held in this way may be summarised as follows:

	<b>2020 Valuation £'000</b>	<b>2019 Valuation £'000</b>
Miscellaneous listed investments	2,938	2,615
Central Board of Finance: Investment Fund shares	13,174	10,407
Fixed interest securities fund units	434	432
Deposits	1,994	2,018
Other assets	300	-
Cash at bank	191	305
	<hr/>	<hr/>
Total assets held as custodian trustee	19,030	18,850
	<hr/> <hr/>	<hr/> <hr/>