THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

England & Wales · Charity number 247647

Details

Status	Registered
Legal form	Charitable company
Company number	00225457
Registered	1966-05-25
Register	View on the Charity Commission register

Contact

Address	Diocesan Offices Clayton House Walker Industrial Estate Walker Road OFFICE PARK Guide BLACKBUR
Phone	01254503070
Email	diocese@blackburn.anglican.org
Website	www.blackburn.anglican.org

Activities

Objects: TO PROMOTE, AID AND FURTHER, PRIMARILY BUT NOT EXCLUSIVELY THE SPIRITUAL TEACHING OF THE CHURCH OF ENGLAND AND MAINTAIN THE SPIRIT OF THE DOCTRINES AND OBSERVANCES ON WHICH IT RESTS AND IN WHICH IT FINDS EXPRESSION.

Activities: To promote, facilitate and assist the work and purposes of the Church of England by the advancement of the Christian faith in the Diocese of Blackburn and elsewhere to create healthy churches transforming communities as part of our Vision 2026 by raising and applying funds for the Church's work.

Downloaded from opencharities.uk/ew/247647

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** DIOCESE OF BLACKBURN
- Lancashire
- Wigan

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£15,906,000	£14,705,000	£74,109,000	71
2023-12-31	£16,279,000	£14,761,000	£72,477,000	68
2022-12-31	£16,992,000	£15,056,000	£72,434,000	57
2021-12-31	£13,468,000	£12,867,000	£73,189,000	43
2020-12-31	£12,852,000	£11,618,000	£69,260,000	42

Downloaded from opencharities.uk/ew/247647

Trustees

Name	Role	Appointed
David Barlow	Chair	2018-07-14
DAVID JOHN WILKINSON		2025-01-01
Damian Porter Rev'd		2023-09-27
David Paul Gascoigne		2025-01-01
Hannah Lockwood		2025-01-01
Jacqueline Mary Stamper		2013-08-27
John Cowell		2025-01-01
Melvyn Gardner		2019-01-01
Paul Ronson		2022-01-01
ROBERT JOHN COLLINS		2013-08-27
Rana Shihadah-Davidson		2025-03-02
Rev David Alex Craven		2025-01-01
Rev FLEUR ESTELLE GREEN		2025-03-30
Rev Joanne Sarah Smith		2025-01-01
Rev Munawar Din		2025-03-02
Rev PETER ANDREW LILLICRAP		2016-01-01
Rev PETER HOWELL-JONES		2017-03-25
Rt Rev Jillian Louise Calland Duff		2018-06-29
Ruth Kathleen Haldane		2025-01-01
Simon Acomb		2025-10-12
The Revd Canon Andrew Stuart Horsfall		2022-01-01
The Rt Revd Dr Joseph Kennedy		2024-07-19
The Rt Revd Philip John North		2015-02-02
The Ven David Anthony Picken		2020-02-04
The Ven Jane Louise Atkinson		2025-11-23
Wendy Ann Walker		2025-01-01

Downloaded from opencharities.uk/ew/247647

THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

England & Wales - Charity number 247647

Accounts

The Blackburn Diocesan Board of Finance Limited

Annual report and consolidated financial statements

Company limited by guarantee (no 225457)
Registered charity (no 247647)
Date: 31 December 2024

Contents

VISION STATEMENT **2**

LEGAL OBJECTS **3**

STRATEGIC REPORT **3**

Strategic Aims and Objectives for the Year *3*

Activities and Achievements in the Year *4*

Future Plans *8*

Post Balance Sheet Events *10*

Financial Review *10*

Principal Risks and Uncertainties *13*

STRUCTURE, GOVERNANCE AND MANAGEMENT **14**

Summary Information about the Structure of the Church of England *14*

Organisational Structure *15*

DIRECTORS' RESPONSIBILITIES **17**

Appointment of Auditor *18*

ADMINISTRATIVE DETAILS **19**

Attendance of Directors at Meetings in 2024 ..... *20*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED **21**

STATEMENT OF FINANCIAL ACTIVITIES - Company **25**

STATEMENT OF FINANCIAL ACTIVITIES - Group **26**

INCOME AND EXPENDITURE ACCOUNT **27**

BALANCE SHEET **28**

CASH FLOW STATEMENT **29**

NOTES TO THE FINANCIAL STATEMENTS **30**

VISION STATEMENT

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026.

The Vision was launched in 2015 when the Diocese of Blackburn made a bold strategic decision to change and to grow through the priorities of: • Making Disciples for Jesus Christ • Being Witnesses for Jesus Christ • Growing Leaders for Jesus Christ • Inspiring Children, Young People and Schools.

Over the course of 2020 the Diocese engaged in a 'Vision Update' through which we sought to identify what is going well and where the challenges are as we seek to realise our Vision of seeing 'Healthy Churches Transforming Communities'.

Vision 2026 sets before the churches of Lancashire a profound belief in the power of the Gospel to transform lives and communities and expresses a firm commitment to maintaining clergy numbers and investing in the mission of the local church.

Our updated Vision 2026 building blocks are:-

Making disciples of Jesus Christ

- Knowing the Scriptures better and equipping confident Christian disciples
- Praying with greater depth and urgency for the Kingdom of God to come
- Offering worship in Spirit and truth through the ministry of word and sacrament
- Giving generously of our time, talents and money to the cause of Christ

Being witnesses to Jesus Christ

- Sharing the Gospel with confidence
- Enabling human flourishing through social action
- Planting or renewing 10 strategic church plants and 200 new congregations
- Caring for God's creation

Growing leaders for Jesus Christ

- Developing a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Discerning and forming theologically literate lay and ordained leaders, rooted in prayer and with a deep love of the Lord Jesus
- Nurturing healthy partnerships between clergy and laity by fully implementing the Lay Majority Ministry Framework
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

Inspiring children and young people

- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Holding regular worship that is accessible and appealing to children, young people and their families.
- Enabling growth in the numbers of leaders of children and young people
- Pursuing a step change in work with those aged 11-16
- Facilitating effective partnerships between churches and local schools

The Diocesan Vision Prayer

Heavenly Father, we embrace Your call for us to make disciples, to be witnesses, to grow leaders and to inspire children and young people. Give us eyes to see Your vision, ears to hear the prompting of Your Spirit and courage to follow in the footsteps of your Son, our Lord and Saviour Jesus Christ. Amen.

LEGAL OBJECTS

The Directors of the Blackburn Diocesan Board of Finance Limited (BDBF), who are the Trustees for the purpose of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2024.

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

This combined report satisfies the legal requirement for:

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

The BDBF's principal objective is to promote, assist and advance the work of the Church of England, primarily but not exclusively in the Diocese of Blackburn, by acting as the financial executive of the Blackburn Diocesan Synod.

The BDBF has the following statutory functions:

- The BDBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- The BDBF is custodian trustee in relation to PCC property.

STRATEGIC REPORT

Strategic Aims and Objectives for the Year

The main role of the BDBF is to identify and manage the financial aspect of the provision of the ministry within the Diocese, so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities in the Diocese.

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026. The Vision was launched in 2015 and updated in 2020.

The next phase of the implementation plan is available from our website at:
https://www.blackburn.anglican.org/vision-update.

The Directors are aware of the Charity Commission's published guidance on the public benefit requirement in general and, more particularly, in 'The Advancement of Religion for the Public Benefit' and have had regard to it in their administration of the BDBF.

The Directors believe that, by carrying out these objectives and in promoting the work of the Church of England in the Diocese of Blackburn, the BDBF helps 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 it provides 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, for the benefit of individuals and society as a whole.

Activities and Achievements in the Year

Vision 2026 consists of the four major building blocks of the Vision and below are the activities planned against each and the outcomes achieved:

Making Disciples of Jesus Christ

The Making Disciples team will help people to move on in their spiritual formation through:

- Knowing the scriptures better and equipping confident Christian disciples
- Praying with greater depth and urgency for the Kingdom of God to come
- Offering worship in Spirit and truth through the ministry of word and sacrament
- Giving generously of our time, talents and money to the cause of Christ

In relation to our main objectives of **Making Disciples** of Jesus Christ, in 2024 we:

- Launched the Diocesan Discipleship App; Fruitful. The App is focused on helping clergy and laity across the Diocese of Blackburn grow in "The Grace and Knowledge of our Lord Jesus Christ' (2 Peter 3:18) through providing a digital space to engage with scripture, inspire prayer and consider how we might respond in worship. This content includes podcasts aimed at families, video-based small group content and prayer resources. In 2024, there were 3,381 downloads, with 65,931 launches. The most popular media items being the Bishops Bible Studies and the Lent Devotionals.
- Produced seasonal daily devotional resources for Lent and Advent, using writers from around the diocese, in print and via videos in our Diocesan Discipleship App.
- Hosted regular retreats & courses at Whalley Abbey including individual and guided retreats, walking, healing and quiet retreats as well as festival celebrations and supper clubs.
- Partnered with parishes and Mothers Union to run a 'Pathways to Prayer' event at Whalley Abbey.
- Formed a new worship steering group to help to resource worship to parishes.
- Supported the National Church's contactless Device Rollout by helping 60 churches acquire subsidised devices, supporting them in the onboarding training and use.
- Promoted Joyful, Generous Stewards- a Blackburn approach to giving, including six roadshows equipping clergy, wardens and treasurers on how to develop stewardship in their contexts.
- Encouraged further take up by parishes of the Parish Giving Scheme which continues to be encouraging. 43% of parishes had signed up by the end of 2024. During 2024 regular donations received by parishes through the scheme including Gift Aid exceeded £1.6m. 88% of all gifts processed through PGS were given under gift aid and 39% of donors had chosen to increase their gifts with inflation. The average weekly gift through PGS (excluding gift aid) was £855 per year (£16.44 per week). One-off giving through PGS also grew. The total received was £64,000 with an average donation value of £95. Donations through contactless and online giving have continued to grow with more than 35,000 donations totalling £437k (average £12.41 per donation).
- Appointed a new Warden of Spiritual direction with a view towards developing the network towards being younger and more diverse.
- Launched '2025 as a Year of Prayer for growth and renewal' in Advent 2024, helping to support churches, schools and chaplaincies of the diocese to a year of focused prayer for growth and renewal.

Being Witnesses

In 2024, our Being Witnesses' vision was for a radical commitment to prayer. In the last year, there has been evidence of a broader and deeper commitment to prayer: in our churches; deaneries; diocese and across Lancashire. One church leader testified how the church's commitment to pray for growth has borne fruit. Through 'Held in God's Gaze,' an opportunity was given to call out Abrahams and Sarahs - giants of faith. The retreat days have had a strong, core group of people coming aside to pray and build their faith.

- In relation to our main objectives of **Being Witnesses** to Jesus Christ we: Promoted sharing the Gospel of Salvation with Confidence including organising missions and missional opportunities in 2024 with 8 mission weekends, plus 1 one-off event; 39 separate events, services, and school visits. Approximately 1915 adults and 1804 under 16s attended across

those events with an average of 56 adults and 53 under16s per event. Of these attenders approximately 56% were not regular church goers.

- Encouraged regular hosting of enquirers' courses with at least 50% of churches offering an enquiry course
- Encouraged churches to tackle food poverty through foodbanks, holiday/breakfast clubs, lunch clubs and community cafes;
- Encouraging Health and Wellbeing through the appointment of a Healing Adviser and Assistant Archdeacon for clergy wellbeing and a Diocesan Counselling and Wellbeing Adviser. In addition the Festival of Healing held at Blackburn Cathedral was well attended with positive feedback received.
- Helped churches address isolation and reaching to the margins in a myriad of ways. With 32% of churches saying that they offer a 'church at home' option which is almost always streaming a service online, according to Stats for Mission;
- Enabled partnerships to be built with external agencies including the Voluntary Community Faith and Social Enterprise Sector.
- Managed the Harvest Appeal which raised £21,000 to support educational programmes in Multan, Pakistan.
- Assisted churches to access a disability grant with one church receiving funding through the large grant scheme, totalling £59,506. Three churches have received funding totalling £10,600 for the smaller grant.
- Enabled eight strategic church plants to be planted with plans for others in the pipeline;
- Embedded New Local Congregations (NLC) to become normal. Interactive, multi-generational services such as Messy, Muddy and Forest Churches are popular. The Beacon Course, led by Bishop Jill, has supported church leaders in starting NLCs. Bob Jackson, a church growth consultant, reported that churches that have had the stimulation of some Leading your Church into Growth training are more likely to start new initiatives.
- Promoted and encouraged Caring for Creation through the appointment of Dave Champness as nationally funded part-time Carbon Net Zero Senior Project Manager shared with Carlisle, signing up to Lancashire Climate Action Network.
- We have accessed national funding enabled the appointment of John Whitton who will pilot the development of relationships with non-church funding sources for net zero activities across the north west dioceses;
- We have achieved Eco-diocese bronze award and we have a plan to achieve silver by end 2026 with 74 registrations: 17 bronze, 10 silver awards for Eco-churches (at end Oct 2024). 69% churches provided their data through the Energy Footprint Tool (EFT) which was 12% higher than 2023.
- Achieved national church funding for free energy audit/decarbonisation reports for c. 40 high emitting churches/halls plus Whalley Abbey; funding for two x demonstrator and c. 30 quick-win projects;
- Received a heat decarbonisation report for Clayton House which led to changing to LED lighting with motion detectors, the installation of Electric Vehicle charging points in December 2024 and most DBF/DBE staff based at Clayton House receiving carbon awareness training.
- Created termly special editions of Parish Update as environmental editions and ran a ALM Module on Creation Care with seven participants who undertook the module.

Growing Leaders included:

- Continued pursuit of the Lay Majority Ministry Framework
- Continued development of a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Generated a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

- Provided clergy and lay leaders with continuing ministerial education that is life giving and sustains ministry for the long-term.

In relation to our main objectives of **Growing Leaders** for Jesus Christ we:

- Continued the implementation of Lay Majority Ministry strategy
- Continued through the Authorised Lay Ministry (ALM) portfolio to offer training in ten ministry areas
- Commissioned 51 ALMs in September 2023, and 11 existing ALMs added an additional area of ministry to their authorisation with further training. 66 ALMs were reauthorised for a further three years of ministry
- Developed the M:Power programme to offer training in 2023/24 to 27 people in five locations
- Delivered three continuing ministerial education days for ALMs and LLMs, with additional training events offered for LLMs
- Continued to develop the integrated 5-year start of ministry programme to support clergy from ordination through to the end of the second year of their first incumbency
- Successfully obtained national funding for five additional curacies and four additional posts of first responsibility
- Prepared the launch of a revitalised system of continuing ministerial education, retreat and sabbatical

Inspiring Children and Young People included:

- Pursuing a step change in work with those aged 11-18 supported by a new Youth Resourcing Church and diocesan-wide new learning communities
- Facilitating effective partnerships between churches and local schools
- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Supporting the creation of new or renewed toddler groups that share the Gospel

In relation to our main objectives of **Inspiring Children and Young people for Jesus Christ we:**

Commissioned the Board of Education to enable development through:

- Making more Sunday services child/youth-friendly
- Improving preparation and follow-up for confirmation, retaining confirmation candidates as part of the church's worshipping community
- Equipping 50 parishes to set up small youth groups that develop faith
- Supporting parishes in providing events and experiences that encourage children and young people in their faith
- Launching significantly more digital content to promote faith development for children and young people, to train leaders and promote church events and activities. This included:
    - Youtube content
    - Podcasts
    - Social media interactive resources
- Producing more parish resources for work with children and young people
- Creating new or renewed toddler groups that share the gospel as part of their work
- Engaging with boy friendly ministry to develop and implement a project that is designed to grow work with 11-17 years.

Full details of the activities carried out are contained within Blackburn Diocesan Board of Education Trustee Report.

During 2024 the BDBF also:

- Carefully monitored spending and income for the diocese to ensure sustainability.
- Continued to encourage parishes struggling to meet their Parish Share requests to meet BDBF Directors, Archdeacons and BDBF Officers to discuss their challenges, constraints on their ability to contribute the Parish Share requested, and initiatives for ministry in a constructive and

collaborative atmosphere. Where satisfied that there was a clear commitment by the parishes to strengthen their discipleship, stewardship and vision planning, and to meet an adjusted share contribution request, Parish Share meetings were able to reduce Share requests for a number of parishes from the parish support fund.

- Successfully applied for significant funding from the Church Commissioners to accelerate progress towards the missional priorities of the diocese by having a church that reflects the community it serves, having a parish system revitalised for mission and having a transformed leadership pipeline.
- Worked towards a younger church by commencing the employment of 30 parish-based youth workers
- Worked towards a socially-diverse church by commencing the employment of 18 lay-pioneers working in diverse communities
- Worked towards a culturally diverse church by appointing a Canon for presence and engagement in Blackburn and an Inter-cultural mission enabler in Burnley
- Expanded parish renewal programme – enabling more parishes access to renewal support
- Provided administrator provision for key renewal parishes
- Developed plans for revitalisation of Accrington & Burnley
- Provided financial support to maintain stipendiary ministry during periods of significant turnaround and renewal
- Enhanced the continued ministry education programme to provide a pattern of clergy sabbaticals and retreats
- Developed a feasibility study to consider provision of a Young Leader Academy
- Continued provision of five curates each year
- Consulted with deaneries through the Missional and Financial Flourishing programme of meetings designed to ensure that this a good understanding of what will transform mission and ministry in each area.
- Supported parishes in their mission aspirations with grant funding from the Parish Vision Grant and Loan Fund.
- Continued the roll out of an extensive safeguarding service and training programme for clergy and parish officers.

The actions outlined above were enabled through a range of administrative and legal functions ensuring that the priorities identified within Vision 2026 were facilitated whilst maintaining good governance.

Personnel

The Directors are thankful for everyone who contributes to the life of the Diocese and to the parishes for their continuing financial support. The directors would like to express particular thanks to all the staff serving the BDBF, to our clergy for their leadership during 2024 and to the PCCs for their ongoing commitment this last year. The Directors are thankful to God, for those parishes that continued to contribute their parish share in 2024.

Related parties

- General Synod, Church Commissioners, Archbishops' Council and Church of England Pensions Board

  The BDBF must comply with Measures passed by the General Synod of the Church of England. It pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod. The BDBF receives a grant from funds managed by the Church Commissioners. The BDBF pays for clergy stipends through the Church Commissioners. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners.

The BDBF pays retirement contributions for stipendiary clergy and some employees to the Church of England Pensions Board.

- Parochial Church Councils (PCCs)

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

  PCCs can influence decision-making within the BDBF at Diocesan Synod level through representations to those bodies and through the input of Deanery Synods.

- Blackburn Cathedral.

  The Cathedral is a separate entity to the BDBF but is engaged in many shared missional aims and activities. The Cathedral is the seat of the Diocesan Bishop.

- Blackburn Diocesan Board of Education

  The Board of Education is a registered charity, which has responsibility for 190 Church schools across the Diocese and is responsible for the largest number of voluntary aided schools in the country. It provides pastoral and professional support to all its schools and has particular commitment to enhancing the quality of provision for Religious Education, collective worship and the spiritual, moral, social, and cultural development of all pupils. The Board of Education also supports parishes on children's work and youth work and has responsibility for chaplains in universities in the diocese.

- Church based Multi-Academy Trusts

  There are three trusts that serve the diocesan church schools. These are Cidari, Learning Together Trust and The Bay Learning Trust. Each trust has members taken from corporate offices of the Church of England within the Diocese of Blackburn.

Future Plans

We will continue to work on the implementation of Vision 2026 in these last two years up until the Diocesan Centenary and continue to apply National Church funding in support of the mission and ministry of the diocese.

In 2025 the Diocese will embark on a year of prayer for growth and renewal where all parishes and diocesan bodies commit to pray for the life and growth of the diocese. Coupled with this the Diocese will consult widely on the next vision and key goals for future years in order to form a new vision and implementation plan for the period up until 2033.

We will continue to support each strand of Vision 2026.

Making Disciples of Jesus Christ

- Further develop the resources available on the Fruitful App, with more regular resources being created to increase engagement.
- Creation of a task and finish group to create a Diocesan Confirmation Course from feedback gathered from incumbents. The group will give a written brief to Bishops Philip, Jill and Joe to write and present.
- Roll out the National Church's 'Cornerstone' project with the parishes coming out of the Diocesan Renewal Programme. Cornerstone is a task-focused programme, designed for a team within a church to go through together, guiding them through different stewardship tasks.
- Creation of a new South Asian/Multi-lingual Discipleship Resource.

Being Witnesses to Jesus

Future plans for Being Witnesses include:

- Encouraging parishes, chaplaincies and schools to pray for growth and renewal through a Year of Prayer for Growth and Renewal

- Collaborating with the Diocesan Renewal Programme to organise training programmes for parish missions, sharing faith with confidence and running nurture courses as part of centenary planning
- Supporting parishes to make the most of occasional offices, life events, confirmations, arts, sport and other spheres to tell people about Jesus
- Continuing to collaborate with external partners; share stories; signpost and share expertise to enabling human flourishing
- Following up from the Festival of Healing to support parishes with healing ministry and prepare for future events
- Encouraging new local congregations to grow to maturity and support church planting by building a network and a pipeline of church planters
- Continuing to work on the carbon net zero action plan for Synod approval in the autumn of 2025 ahead of 2026-2028 funding triennium
- Encouraging more churches to register and work towards all Eco-Church awards
- Continuing to encourage church engagement with eco-church and carbon awareness through attending deanery meetings and communicating well through diocesan publications and social media

Growing Leaders for Jesus Christ
The Growing Leaders Team is committed to facilitating the supply of an abundance of theologically literate lay and ordained leaders who, with a ministry rooted in prayer and a deep love of the Lord Jesus, can support the growth of healthy churches and transform communities. The team will do this by:

- Developing a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Discerning and forming theologically literate lay and ordained leaders, rooted in prayer and with a deep love of the Lord Jesus
- Nurturing healthy partnerships between clergy and laity by fully implementing the Lay Majority Ministry Framework
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

Inspiring Children and Young people for Jesus Christ
We will support the Diocesan commitment to Inspiring Children and Young people for Jesus Christ by continuing in partnership with the Blackburn Diocesan Board of Education.

The DBE will enable and support parishes to inspire children and young people by:

a) **Expanding Youth and Children's Work through the IGNITE Project**

- The IGNITE project represents a significant step change in our approach to ministry for children and young people, both within and beyond the parishes receiving funding. Our primary focus for 2025-2026 will be to further develop, effectively communicate, and implement the strategy for the IGNITE project. This initiative promises to have a transformative impact on our ability to inspire and engage young people across the diocese.

b) Enhancing Children and Youth Work

- Continue to support the creation and renewal of toddler groups that share the Gospel through a training and equipping programme
- Continue and expand the Youth Hub initiative and further develop and promote the Launchpad programme for youth ministry
- Develop varied training programmes for those involved in children's and youth work, including annual conferences

**Full details of the future activities are contained within the BDBE Trustees report.*

Enablers
Additional work will be completed by the central team on a number of activities that support parish ministry. These include:

- Meetings with deaneries on missional and financial flourishing. This work is to look for opportunities for growth and direct work with parishes through the Parish Renewal programme. The Parish Renewal programme work is monitored and evaluated by the Strategic Programme Board.
- Development of safeguarding support for parishes including the care and support of survivors and victims, case management, training for parishes and clergy, support with safeguarding hubs and dashboards, network meeting for parish safeguarding officers, the writing of safety plans and the support of the independent Diocesan Safeguarding Advisory Panel
- Support for parishes through Treasurer, Church Warden and Clergy training events during the year.
- The organisation of Parish Share meetings designed to support those parishes in difficulty to contribute their parish share.

Post Balance Sheet Events

In April 2025 the diocese received a draft copy of an independent safeguarding audit which highlights the need for significant improvements in the policy and practice at Blackburn Cathedral. Whilst a separate charity, public perception is that the organisation is the same and therefore this has been reported to the Charity Commission as a serious incident due to the risk of reputational harm from the publicity.

Financial Review

Financial performance

The financial performance of the Charity in 2024 was considered satisfactory.

The operational surplus on the unrestricted funds was £0.835m. This was due to a combination of higher level of vacancies than budgeted, clergy housing costs below budget, positive investment performance and increased rental income received.

	General	Designated	Total Unrestricted
	£'000	£'000	£'000
Total Income	9,044	79	9,123
Total Direct Expenditure	(3,932)	(178)	(4,110)
Net Income/ (Expenditure) before investments	**5,112**	**(99)**	**5,013**
Expenditure in / transfers to other funds from unrestricted fund	(4,262)	84	(4,178)
Operational Surplus	**850**	**(15)**	**835**

The operational surplus excludes the net movement on the group's restricted funds (£1,287,000), endowment funds (£1,858,000) and net gain on unrestricted investments (£156,000) included in the group net movement in funds £1,562,000.

Parish share, the money given by Parishes to the BDBF to fund the mission and ministry of the Diocese, was again the principal source of funding in 2024. This increased by £0.076m to £7.95m *(2023: £7.88m)*. The Directors thank parishes for their contributions during the year, and especially those parishes able to meet their share request in full and those that make their parish share payments by monthly instalments.

Total income for the group (including parish share) before revaluation adjustments totalled £15.86m *(2023*: *£16.35m)*, a decrease of £0.50m. Included in the total income figure are gains on the disposal of fixed assets of £0.87m *(2023: £1.87m)*.

Expenditure for the group amounted to £14.79m *(2023: £14.83m)*, a decrease of £0.04m. Included in these figures are losses on disposal and impairment of fixed assets of £24,000 *(2023: £150,000)*.

The group Statement of Financial Activities (SOFA) for the year shows net income of £1.07m *(2023: £1.52m*) before net gains and losses on the revaluation of investments. This is a decrease of 0.45m on the previous year.

After revaluation adjustments, the net movement in total funds amounted to an increase of £1.56m *(2023: increase of £3.14m)*, which results in a total fund balance of £77.14m *(2023: £75.57m)*.

The net movement in unrestricted funds is an increase of £0.99m *(2023: £0.08m)*, which results in a general fund balance of £9.91m *(2023: £8.91m)* and designated fund balance of £2.66m *(2023: £2.67m)*. The net movement in unrestricted funds is made up of the operational surplus £0.84m and net gain on unrestricted investments of £0.16m.

Balance Sheet Position

While the net assets on the group balance sheet total £77.14m (*2023: £75.57m*), included in this total are freehold land and buildings which are primarily used for ministry totalling £44.56m (*2023: £43.37m*). Much of the remainder is held in restricted or endowment funds. In 2024 the defined benefit pension deficit is zero (*2023: zero*).

Significant Property Transactions

During the year we purchased three future parsonages and two curate and associate vicar houses totalling £2.40m. Three of the houses were purchased from the restricted pastoral fund for £1.73m and two from endowment funds for £0.67m. Sale proceeds were received for eight curate houses, total of £2.23m. The profit from the sales added £0.86m into restricted funds.

Investment Performance

The Charity does not receive its donations evenly throughout the year. Some donations or funding grants received are held for a period prior to them being required for expenditure. The charity utilises NatWest reserve accounts and CCLA for cash investments.

The Board requests a member of CCLA to annually attend a meeting of the Investment Committee to update them on the Board's investment position. The Investment Committee meets at least four times a year to review policy and performance. The Board invests in the CCLA Deposit, Investment and Property Funds which performed satisfactorily over the year in the context of comparator benchmarks for the sector. Around 88% of the portfolio is held in the CBF Church of England Investment Fund (see performance against comparator below) with the remainder held in the CBF Property Fund. In 2024 the capital value of our investments continued to rise by approximately 4%.

The CBF Church of England Investment Fund

Performance* to 31 December 2024	3 months	1 year	3 years p.a.	5 years p.a.
Investment	+0.39%	+5.09%	+2.43%	+6.82%
Comparator	+4.84%	+15.30%	+5.51%	+7.40%

Comparator - composite: From 01/01/21, MSCI WORLD 75%, MSCI UK Monthly Property 5%, iBoxx £ Gilts 15% & SONIA 5%. From 01/01/18, MSCI UK IMI 30%, MSCI World ex UK 45%, MSCI UK Monthly Property 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. Source: CCLA

* Performance of the funds is shown net of management fees and other expenses with income reinvested. Comparator performance is based on market indices which are not adjusted for any management fees or investment expenses. Past performance is not a reliable indicator of future results

The CBF Church of England Investment Fund has been affected by market weakness in the first quarter of 2025 and fell by 3%. The unpredictable nature of the current American administration adds further risk and uncertainty to the financial markets. The investment committee will be monitoring CCLA's positioning of the fund through the year.

The Board also manages glebe on behalf of the BDBF.

The total value of investments and deposits (excluding cash and investment property) at 31 December 2024 was £28.51m *(2023: £28.12m)* and the return on investment was 3.4% *(2023: 3.5%).* (Income divided by average capital value).

The total value of investment property at 31 December 2024 was £1.51m *(2023: £1.54m*) and the return on investment was 2.1% *(2023: 1.8%).* (Net rental income divided by average capital value).

Investment Policies

The BDBF's investment policies are based on two key policies:

Ethical investment – the BDBF seeks to pursue an investment policy consistent with the values of the Christian faith. This is achieved by investing in CCLA who follow the policies of the Church of England's Ethical Investment Advisory Group which are kept under review by the Investment Committee. For the past few years, the Diocesan investment partner has operated a policy of not investing in industries that are directly or indirectly drawing revenue from fossil fuel activity. This policy is already in place and will continue to be going forward as we seek to meet a 2030 target.

Long-term responsibilities – the Directors are aware of their long-term responsibilities in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Investment policy for long-term funds is aimed primarily at generating a sustainable income with due regard to the need for preservation of capital value and the possible need to realise investments to meet operational needs. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible towards clergy stipends on an ongoing basis. Unrestricted and restricted funds are invested to balance income, liquidity and the reimbursement of capital.

Environmental Impact

The diocese has begun work on reducing its carbon output with the aspiration to reach net carbon zero by 2030. In line with this aspiration, the DBF will report on its annual CO2 emissions and plans to reduce its carbon footprint. The emissions for 2024 based on energy bills were as follows:

	Gas (kwh)		Electric (kwh)		CO2 Emissions (Tonnes Per Year)	
	2023	2024	2023	2024	2023	2024
Clayton House energy consumption	80,787*	106,902	74,585	58,842	38.1	39.0
Whalley Abbey energy consumption	297,341	278,785	60,002	49,284	79.9	73.0
St Philip's Centre	-	-	86,000	98,267	23.6	27.0

** note in 2023 issues with the meter led to reduced reporting of consumption*

Strategies to reduce the carbon footprint:

- Delivering against the objectives on the Carbon Net Zero action plan approved by Synod
- Installation of LED lighting in Clayton House
- Reduction in face-to-face meetings in favour of digital solutions
- The installation of electric vehicle charging points at the diocesan offices
- The completion of Arocha Bronze award for the diocese and Silver award for Clayton House
- The renewal of clergy houses to improve carbon efficiency

Reserves Policy

The Directors have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. The BDBF has considerable responsibilities, including the remuneration and housing of, on average, 185 parochial stipendiary clergy and is reliant on the contributions from the parishes of the Diocese. The BDBF aims to maintain a level of free reserves for income risk of 4% of three years forecast budgeted parish share, DBF fees and rental income and at least three months' Parish Share budgeted expenditure as working capital. This will be held within the unrestricted funds (excluding fixed assets and clergy pension deficit). This is considered sufficient to cover short-term cash outflows, cushion non-receipt of Parish Share and any reduction of income from DBF Fees and rental income. The level of free reserves required for this policy is £4.4m.

This policy is reviewed annually considering the future and risks of the BDBF in its setting.

The level of free reserves at 31 December 2024 was £8.1m which is in excess of the policy by £3.7m. This excess will to be used to fund the budgeted deficits for the next 5 years. The deficits form part of a growth strategy including significant funding from National Church. This investment into the parishes of the diocese will provide future financial sustainability.

The Directors are confident in the steps taken to ensure the future going concern of the organisation.

There are several designated funds totalling £2.66m and the material ones are listed in note 24 on page 49. These funds are, in the main, held to fund future opportunities for the BDBF. They are reviewed regularly for appropriateness and levels.

The BDBF also administers a number of restricted and endowment funds that are held in specific trusts under charity law and are not available for general purposes. As at 31 December 2024 charity's restricted funds totalled £10.56m and endowment funds totalled £50.98m. The group's restricted funds totalled £11.05m and endowment funds totalled £53.52m. A description of each reserve, together with the intended use of the fund is set out in notes 25 and 26 of the financial statements on pages 50 to 52.

Grant making policy

Grants are made to the National Church to cover a proportion of its central costs and the cost of training for ministry (see note 10 to the financial statements). Grants are paid to other connected charities and to other charitable projects which appear to the Board to support the furtherance of the BDBF's objectives (see note 16 to the financial statements).

Fundraising

Most of the funds raised by the BDBF are from other charities. We provide support and advice to parishes with their fundraising and raise some funds for other charities as part of the Bishop's Harvest appeal or from the congregation at Visitations. At Ordination services funds raised for the BDBF are restricted to support those undergoing ordination training. We encourage online giving by the use of give.net. There is minimal fundraising from the public by the BDBF and this is normally at church services, not by direct marketing or using external fundraisers. We have not received any complaints from the public in relation to our fundraising activities.

Ephesian Fund Donations

A number of parishes have chosen to make their parish share payments through the Ephesian Fund operated by the Church of England Evangelical Council (CEEC). In 2024 a total of 7 churches paid funds through the Ephesian Fund with the restriction that the funds be applied against mission and ministry in churches who have signed up to the CEEC statement of faith. A total of £273, 407 was donated in this way and was applied against stipends and curacy costs for churches who meet the restriction.

Principal Risks and Uncertainties

The Directors of the charitable company have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the directors
- regular consideration of financial results and cash flows
- regular review of internal controls
- delegation of authority and segregation of duties
- regular review and update of risk assessments
- scheme of delegation

The Directors have a programme of risk management to assess and document business risks and implement risk management strategies. This involves assessing the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process draws on ongoing consideration of business risk, which already forms a significant aspect of the Directors' duties, scrutiny by the Audit, Risk and Governance Committee (ARG) and of the annual meeting with the Auditors, to discuss financial and internal control issues. There is no internal audit function as it is not considered an efficient use of the resources of the charity. The risk register has been fully restructured to ensure better monitoring of risk and cascaded responsibility for risk management by department. The risk register continues to be reviewed on a six-monthly basis by the ARG and material changes notified to the directors.

Key Risks

The key risks, which may impact on the charitable company, include:

1. Parish Share receipts fail to increase in line with medium-term budgetary projections – the risk is that the BDBF is unable to meet its objectives due to financial constraints. This may be exacerbated by the ongoing debates around Living in Love and Faith and global economic pressures

   Existing pressures are:

   - energy costs and capital repair costs for parishes
   - inflationary costs causing rises to share
   - levels of giving

   Existing controls are:

   - regular monitoring and meetings with those parishes who need help to meeting their share
   - provision for the shortfall built into the budget
   - the use of the Parish Renewal Programme to revitalise ministry, mission and giving
   - resources on generosity, gift and grace for parishes to talk about giving
   - an appropriate free reserves policy

2. A continuing reduction in regular weekly attendance – the risk is that parishes will become increasingly unable to pay parish share due to a reduced number of parishioners contributing to their finances; the BDBF is therefore unable to meet its objectives due to financial constraints.

   Existing controls are:
   - A key aim of Vision 2026, and commitment of the diocese beyond 2026, is to grow the number of people regularly attending their parish church.
   - A successful application for grant funding for diocesan transformational change through revitalising parishes, development of a pipeline of new and renewed leaders, increasing the numbers of children and young people in parishes and increasing the diversity of churches through projects to enable parishes to reflect more of the people they serve.
   - A planting strategy and encouragement of new local congregations across the diocese
   - Delivery of resources on generosity, gift and grace to enable more generous giving

3. Insufficient care for those who are survivors of abuse or those under investigation leading to self-harm.

   Existing controls are:
   - Survivor consultation groups
   - Use of support volunteers
   - Opportunities for apology and redress

STRUCTURE, GOVERNANCE AND MANAGEMENT

Summary Information about the Structure of the Church of England

The Church of England is the established church with HM The King as the Supreme Governor.

It is organised into two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that geographical area.

A diocese is divided into archdeaconries, deaneries, benefices and parishes. Benefices may comprise single or multiple parishes and are overseen by a parish priest (usually called a vicar, rector or priest-in-charge). The parish priests are responsible for the ‘cure of souls’ in their parish.

The Church of England is governed nationally by General Synod as its legislative and deliberative body. It comprises ex-officio and elected representatives from each diocese, and it agrees and lays before Parliament measures for the governance of the church’s affairs, which, if enacted by Parliament, have the force of statute law. Blackburn Diocese currently has 5 elected clergy members and 6 elected lay members of General Synod. They were elected in 2021 for a period of five years.

In addition to the General Synod, the Archbishops’ Council has a coordinating role for the work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of

England; and the Church of England Pensions Board administers the pension schemes for clergy and some lay workers.

Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that leadership as Bishop in the Diocesan Synod which is the statutory governing body of the Diocese.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

The Diocese of Blackburn was created in 1926. It has an area of 988 square miles and encompasses Lancashire with a few parishes in Wigan Metropolitan Borough. The overall population is approximately 1.3 million within urban and rural areas.

The Diocese of Blackburn has two archdeaconries (Blackburn and Lancaster), each the responsibility of an archdeacon. Each archdeaconry has seven deaneries with a number of benefices/parishes grouped geographically. An area dean has oversight of the deanery and each deanery has its own synod. Within each parish there is a body called the parochial church council which is made up of parish priest as chair, the churchwardens, curate and Licensed Lay Ministers if applicable, and a number of elected members. Each parochial church council is a separate charity.

The Cathedral is the mother church of the Diocese, an ecclesiastical corporation until it is certified by the Church Commissioners under the Cathedrals Measure 2021 as a charity. The Cathedral is separate from the BDBF. Copies of its trustees' report and financial statements may be obtained from the Cathedral Offices, Cathedral Close, Blackburn BB1 5AA.

Organisational Structure

The BDBF was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 29 October 1927 as a charitable company limited by membership guarantees (No 225457) and its governing documents are the Memorandum and Articles of Association. The BDBF is registered with the Charity Commission (No 247647). The Charity is a limited by guarantee company and statutory accounts are filed annually with Companies House and Charity Commission.

The members of the company comprise the Diocesan Bishop, each member for the time being of the Blackburn Diocesan Synod, including sufficient co-opted lay members in order to ensure that there is a majority by one of lay membership. Many of Diocesan Synod's responsibilities have been delegated to the Bishop's Council and standing committee.

The members of Bishop's Council are the Board of Trustees for the charity and in company law the Directors.

The Directors comprise six ex-officio members: the Diocesan Bishop, the Suffragan Bishops, the two Archdeacons, the Dean of Blackburn Cathedral. Four ex-officio elected positions: the Chairs and Vice Chairs of the Houses of Clergy and Laity of Diocesan Synod. Three ex-officio appointed positions: the Chair and Vice Chair of the Board of Finance and the Chair of the Property Committee. The elected members are 4 clergy, 2 from each archdeaconry, elected by the House of Clergy and 8 lay members, 4 from each archdeaconry, elected by the House of Laity. Two members may be co-opted with the approval of the directors. Elections take place every three years with the last election being in 2024 for the triennium starting 1 January 2025.

Governance and policy of the BDBF is the responsibility of the directors.

Corporate priorities and the overall financial strategy for the BDBF, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Blackburn, are agreed by the Directors and confirmed by Diocesan Synod.

The responsibility for ensuring that these priorities and strategies are delivered, is delegated to the Vision Area Leaders.

The members of the company meet once a year in the general meeting to receive the annual report and financial statements. The Diocesan Synod each year receives and agrees the parish share budget, prepared and approved by the Directors. The Directors meet during the year to formulate and coordinate policies on mission, ministry and finance.

Some role names in the company incorporate the title 'Director' but, for the purposes of company law, are not directors of the company.

Diocesan Synod has delegated the following functions to the Directors of the BDBF:

- transacting the business of the Diocesan Synod when not in session
- management of the funds and property of the Diocese
- preparation of the annual Parish Share Budget
- 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; and
- carrying out any other functions delegated by Diocesan Synod.

Statutory ecclesiastical boards and committees:

The Diocesan Mission and Pastoral Committee is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It is also responsible for finding appropriate alternative uses for churches which are closed for public worship.

The Diocesan Advisory Committee advises on matters affecting parishes including churches and places of worship on matters such as 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.

The Parsonages Board: the BDBF is designated as the Parsonages Board for the Diocese for the purpose of exercising the Parsonages Board's functions under the Repair of Benefice Buildings Measure 1972.

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

Non-statutory committees:

The Strategic Programme Board is responsible for the oversight of the Diocesan Investment Programme funds the delivery of the objectives tied to that funding along with each of the Strategic Development Fund project boards until such time that the projects end. This programme board is accountable for the spend of church commissioner grant funding on programme activities and accountability against the agreed objectives.

Diocesan Safeguarding Advisory Panel has a Chair independent of the Directors and is an advisory body offering external oversight and scrutiny to the diocese with regard to safeguarding.

The Finance Committee is responsible for the transaction of some of the business of the BDBF. Within delegated limits it can approve grants and other support and makes recommendations to the Directors in other cases. The membership of the Committee consists of the Chair and Vice Chair of the Board of Finance, the two Archdeacons, the Chair of the HR Committee, the Chair or the Vice Chair of the House of Clergy and the Chair or the Vice Chair of the House of Laity. The BDBF Directors can co-opt up to six members on the basis of their expertise, of whom a minimum of 2 must be members of Bishop's Council and Directors of the BDBF.

The Property Committee is responsible for making major decisions concerning the management of parsonage and other houses owned by the BDBF, including setting the policy for their purchase, sale, repair and maintenance. The committee has delegated authority to authorise repairs within an agreed budget and to buy and sell property and land vested in the Board of Finance for diocesan purposes.

The Investment Committee meets on a regular basis to consider diocesan investments, to adjust the portfolio within parameters agreed by the Directors and to make recommendations to the Directors. It is also responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Blackburn Diocesan Stipends Fund.

The Audit, Governance and Risk Committee has a Chair independent of the Directors and is responsible for assisting the Directors in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

The HR Committee deals with sensitive and other matters in relation to employed staff which cannot be considered by the full Board, partly because of their confidential nature and partly because of time

pressures and includes two directors (one lay and one clergy) and four members co-opted for their HR expertise. It has delegated authority to approve most HR policies.

The Budget Scrutiny Committee assists the Bishop's Budget team in drawing up the annual draft budgets for approval by the Directors prior to submission to Diocesan Synod.

Directors' induction

Directors are given an induction file when first appointed. Explanations are given in Directors' meetings to provide continuing training and Directors are encouraged to ask questions in order to develop their understanding of the charity. If additional information is required, it is brought to the attention of directors and the directors' induction file updated accordingly. Directors undertake training at the start of each triennium.

Remuneration of key management personnel

The salary scale of the Diocesan Secretary is determined by the Chair of the BDBF and the Diocesan Bishop following advice from the HR Committee. Any annual award is in line with the other employed staff salary increase.

The salary levels of other key management personnel and all further posts are set by a job evaluation system. Annual pay increases are considered and approved as part of the budgeting process. They are considered by the HR Committee prior to implementation. An adjustment, if required would be recommended to the Board of Finance.

Funds held as custodian trustee

The BDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the BDBF does not control them and these assets are held separately to those of the BDBF.

PCC trust investment assets held by the BDBF had a market value of £16.99 m at 31 December 2024 (*2023: £16.26m*) Detailed certificates of holdings were sent to parishes (c. 1,500 accounts) and other managing trustees of the respective charities as requested at that date. Details of these investments are summarised in note 30.

DIRECTORS' RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Appointment of Auditor

The re-appointment of BHP LLP as auditors to the BDBF will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

Registered Address	Diocesan Offices, Clayton House, Walker Office Park, Blackburn BB1 2QE	
Trustees/Directors		
Ex-Officio	Rt Revd P J North	
	Rt Revd J L C Duff	
	Very Revd P Howell-Jones	
	Ven M C Ireland	(resigned 6 April 2025)
	Rt Revd Dr J Kennedy	(appointed 19 July 2024)
	Ven D Picken	
Ex-Officio elected position	Mr R J Collins	
	Mr T D Cox	(resigned 25 July 2024)
	Revd P A Lillicrap	
	Revd M Din	(resigned 31 December 2024)
Ex-Officio appointed	Mr D Barlow	
	Mr N P Aves	
	Revd D Porter	
Elected Clergy	Revd Dr R B Aechtner	(resigned 10 August 2024)
	Revd Canon Dr S Cox	(resigned 31 December 2024)
	Revd Canon A Holliday	(resigned 31 December 2024)
	Revd Canon A S Horsfall	
Elected Lay Persons	Dr A Carter	(resigned 31 December 2024)
	Prof R Carter	(resigned 31 December 2024)
	Mr M Gardner	
	Mr P J Ronson	
	Ms J M Stamper	
	Mr D J Wilkinson	
	Mrs A Wynne	(resigned 31 December 2024)
Appointed after end of year but prior to signing of the financial statements	Mr J Cowell	(appointed 1 January 2025)
	Revd D Craven	(appointed 1 January 2025)
	Revd M Din	(appointed 2 March 2025)
	Canon DP Gascoigne	(appointed 1 January 2025)
	Revd F Green	(appointed 30 March 2025)
	Canon R Haldane	(appointed 1 January 2025)
	Mrs H Lockwood	(appointed 1 January 2025)
	Ms R Shihadah-Davidson	(appointed 2 March 2025)
	Revd J Smith	(appointed 1 January 2025)
	Revd VL Vasey-Saunders	(appointed 1 January 2025)
	Miss W Walker	(appointed 1 January 2025)

Key management personnel and advisers

Diocesan Secretary	Canon S Whittaker
Deputy Diocesan Secretaries	Mrs R McGaughey, Mrs C Barton
Head of Finance, Company Secretary	Mrs R McGaughey
Solicitors	Anthony Collins, 134 Edmund Street, Birmingham B3 2ES

Insurers	Ecclesiastical Insurance Office, Beaufort House, Brunswick Road, Gloucester GL1 1JZ
Bankers	National Westminster Bank, 35 King William St, Blackburn BB1 7DJ
Investment Asset Managers	CCLA Investment Management Ltd, 1 Angel Ln, London EC4R 3AB
Registered Auditor	BHP LLP, One, Waterside Place, Basin Square, Brimington Rd, Chesterfield S41 7FH
Glebe and Land Agent	Ingham & Yorke, Huntroyde Estate Office, Padiham, BB12 7QX

Attendance of Directors at Meetings in 2024

		Total
Ex-Officio	Rt Revd P J North	6/6
	Rt Revd J L C Duff	5/6
	Very Revd P Howell-Jones	2/6
	Ven M C Ireland	4/6
	Rt Revd J Kennedy	4/6
	Ven D Picken	5/6
Ex-Officio elected position	Mr R J Collins	6/6
	Mr T D Cox	2/4
	Revd P A Lillicrap	5/6
	Revd Munawar Din	2/6
Ex-Officio appointed	Mr D Barlow	6/6
	Mr N P Aves	6/6
	Revd D Porter	3/6
Elected Clergy	Revd Dr R B Aechtner	4/4
	Revd Canon Dr S Cox	4/6
	Revd Canon A Holliday	4/6
	Revd Canon A S Horsfall	5/6
Elected Lay Persons	Dr A Carter	4/6
	Prof R Carter	4/6
	Mr M Gardner	4/6
	Mr P J Ronson	5/6
	Ms J M Stamper	6/6
	Mr D J Wilkinson	6/6
	Mrs A Wynne	4/6

By order of the Board approving both the Directors' Report and Strategic Report

Mr D Barlow
Chair of the Board of Finance

Mr N P Aves
Vice-chair of the Board of Finance

18 June 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

Opinion

We have audited the financial statements of Blackburn Diocesan Board of Finance Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Charitable Company Statement of Financial Activities, the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the parent 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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence,
- capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the group and parent charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the ecclesiastical sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Charities Act 2011, Companies Act 2006, taxation legislation, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

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

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

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

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

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

BHP LLP

Nicola O'Sullivan (Senior statutory auditor)
for and on behalf of

BHP LLP
One Waterside Place
Basin Square
Brimington Road
Chesterfield
S41 7FH

Date: 25 June 2025

STATEMENT OF FINANCIAL ACTIVITIES - Company

for the year ended 31 December 2024

	Note	Unrestricted funds: General £000	Unrestricted funds: Desig-nated £000	Restricted funds £000	Endowment funds £000	Total funds 2024 £000	Total funds 2023 £000
Income and endowments from:							
Donations and legacies							
Parish contributions		**7,680**	**-**	**273**	**-**	**7,953**	7,877
Archbishops' Council and Church commissioners	*2*	**400**	**-**	**4,340**	**-**	**4,740**	3,802
Other	*3*	**241**	**64**	**137**	**-**	**442**	725
Charitable activities: statutory fees, chaplaincy and other income	*4*	**159**	**-**	**452**	**-**	**611**	666
Other trading activities	*5*	**222**	**-**	**145**	**-**	**367**	422
Investments	*6*	**461**	**15**	**446**	**-**	**922**	918
Other	*7*	**6**	**-**	**853**	**12**	**871**	1,869
Total Income and endowments		**9,169**	**79**	**6,646**	**12**	**15,906**	16,279
Expenditure on:							
Raising funds	*8*	**276**	**-**	**46**	**-**	**322**	447
Charitable activities	*9*	**3,656**	**178**	**10,535**	**10**	**14,379**	14,306
Other		**-**	**-**	**-**	**4**	**4**	8
Total Expenditure	*10*	**3,932**	**178**	**10,581**	**14**	**14,705**	14,761
Net income/(expenditure) before investments		**5,237**	**(99)**	**(3,935)**	**(2)**	**1,201**	1,518
Net gains/(losses) on investments	*18*	**145**	**11**	**1**	**274**	**431**	1,418
Net income/(expenditure) before transfers		**5,382**	**(88)**	**(3,934)**	**272**	**1,632**	2,936
Transfers between funds	*12*	**(4,387)**	**84**	**2,774**	**1,529**	**-**	-
Net income/(expenditure) before other recognised gains and losses		**995**	**(4)**	**(1,160)**	**1,801**	**1,632**	2,936
Other recognised gains/(losses) Gains/(losses) on defined benefit pension schemes		**-**	**-**	**-**	**-**	**-**	-
Net movement in funds		**995**	**(4)**	**(1,160)**	**1,801**	**1,632**	2,936
Reconciliation of funds							
Total funds at 1 January 2024		**8,913**	**2,667**	**11,717**	**49,180**	**72,477**	69,541
Total funds at 31 December 2024		**9,908**	**2,663**	**10,557**	**50,981**	**74,109**	72,477

All activities derive from continuing activities. The notes on pages 30 to 65 form part of the financial statements.

Details of company comparative figures (2023) for the Statement of Financial Activities by fund are disclosed in note 31.

STATEMENT OF FINANCIAL ACTIVITIES - Group

for the year ended 31 December 2024

	Note	Unrestricted funds: General £000	Unrestricted funds: Designated £000	Restricted funds £000	Endowment funds £000	Total funds 2024 £000	Total funds 2023 £000
Income and endowments from:							
Donations and legacies							
Parish contributions		**7,680**	**-**	**273**	**-**	**7,953**	7,877
Archbishops' Council and Church commissioners	*2*	**400**	**-**	**4,340**	**-**	**4,740**	3,802
Other	*3*	**116**	**64**	**137**	**-**	**317**	725
Charitable activities: statutory fees, chaplaincy and other income	*4*	**159**	**-**	**452**	**-**	**611**	666
Other trading activities	*5*	**222**	**-**	**145**	**-**	**367**	422
Investments	*6*	**461**	**15**	**526**	**-**	**1,002**	996
Other	*7*	**6**	**-**	**853**	**12**	**871**	1,869
Total Income and endowments		**9,044**	**79**	**6,726**	**12**	**15,861**	16,357
Expenditure on:							
Raising funds	*8*	**276**	**-**	**46**	**-**	**322**	446
Charitable activities	*9*	**3,656**	**178**	**10,618**	**10**	**14,462**	14,379
Other		**-**	**-**	**-**	**4**	**4**	8
Total Expenditure	*10*	**3,932**	**178**	**10,664**	**14**	**14,788**	14,833
Net income/(expenditure) before investments		**5,112**	**(99)**	**(3,938)**	**(2)**	**1,073**	1,524
Net gains/(losses) on investments	*18*	**145**	**11**	**2**	**331**	**489**	1,615
Net income/(expenditure) before transfers		**5,257**	**(88)**	**(3,936)**	**329**	**1,562**	3,139
Transfers between funds	*12*	**(4,262)**	**84**	**2,649**	**1,529**	**-**	-
Net income/(expenditure) before other recognised gains and losses		**995**	**(4)**	**(1,287)**	**1,858**	**1,562**	3,139
Other recognised gains/(losses) Gains/(losses) on defined benefit pension schemes		**-**	**-**	**-**	**-**	**-**	-
Net movement in funds		**995**	**(4)**	**(1,287)**	**1,858**	**1,562**	3,139
Reconciliation of funds							
Total funds at 1 January 2024		**8,913**	**2,667**	**12,336**	**51,657**	**75,573**	72,434
Total funds at 31 December 2024		**9,908**	**2,663**	**11,049**	**53,515**	**77,135**	75,573

All activities derive from continuing activities. The notes on pages 30 to 65 form part of the financial statements.

Details of group comparative figures (2023) for the Statement of Financial Activities by fund are disclosed in note 31.

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2024

	2024	**2024**	2023	2023
	£000	**£000**	£000	£000
	Company	**Group**	Company	Group
Total income	**15,894**	**15,849**	15,506	15,584
Total expenditure	**14,691**	**14,774**	(14,749)	(14,821)
Operating surplus for the year	**1,203**	**1,075**	757	763
Net gains on investments	**157**	**158**	518	501
Net income for the year	**1,360**	**1,233**	1,275	1,264
Other comprehensive income:				
Net assets transferred to endowments	**(1,529)**	**(1,529)**	(2,040)	(2,040)
Actuarial gains/(losses) on defined benefit pension schemes	**-**	**-**	-	-
Total comprehensive expenditure	**(169)**	**(296)**	(765)	(776)

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

BALANCE SHEET

at 31 December 2024

	Note	2024		2023	
		£000 Company	**£000 Group**	£000 Company	£000 Group
Fixed Assets					
Tangible Assets	*17*	**44,558**	**44,558**	43,374	43,374
Investments	*18*	**20,871**	**23,651**	20,622	23,344
Investment Property	*18*	**1,507**	**1,507**	1,537	1,537
		66,936	**69,716**	65,533	68,255
Current assets					
Stocks		**3**	**3**	1	1
Debtors	*19*	**2,819**	**2,838**	2,088	2,107
Deposits and Cash at bank and in hand		**5,828**	**6,059**	5,775	6,133
		8,650	**8,900**	7,864	8,241
Creditors: amounts falling due within one year	*20*	**(1,347)**	**(1,351)**	(790)	(793)
Net current assets		**7,303**	**7,549**	7,074	7,448
Creditors: amounts falling due after more than one year	*20*	**(130)**	**(130)**	(130)	(130)
		(130)	**(130)**	(130)	(130)
Net Assets	*23*	**74,109**	**77,135**	72,477	75,573
Capital and Reserves					
Endowment funds	*26*	**50,981**	**53,515**	49,180	51,657
Restricted funds	*25*	**10,557**	**11,049**	11,717	12,336
Unrestricted funds - General	*24*	**9,908**	**9,908**	8,913	8,913
Unrestricted funds - Designated	*24*	**2,663**	**2,663**	2,667	2,667
		74,109	**77,135**	72,477	75,573

The notes on pages 30 to 65 form part of the financial statements.

These financial statements were approved by the Directors and were signed on their behalf on 18 June 2025 by:

Mr D Barlow
Chair of the Board of Finance

Mr N P Aves
Vice-chair of the Board of Finance

The Blackburn Diocesan Board of Finance Ltd is a company limited by guarantee registered in England and Wales (no. 225457)

CASH FLOW STATEMENT

for the year ended 31 December 2024

	2024 £000 Company	**2024 £000** Group	2023 £000 Company	2023 £000 Group
Net income before other recognised gains and losses	**1,201**	**1,073**	1,518	1,524
(Gains)/Losses on disposal of fixed assets	**(838)**	**(838)**	(1,791)	(1,791)
(Gains)/Losses on disposal of investments	**(4)**	**(4)**	8	8
Depreciation	**51**	**51**	126	126
(Increase)/decrease in stock	**(2)**	**(2)**	-	-
(Increase)/decrease in debtors	**(657)**	**(657)**	(276)	(277)
(Decrease)/increase in creditors current liabilities	**557**	**558**	(267)	(264)
Cash (outflow)/ inflow from operating activities	**308**	**181**	(682)	(674)
Net income from investing activities				
Purchase of tangible fixed assets	**(2,626)**	**(2,626)**	(4,432)	(4,432)
Proceeds of sale of fixed assets	**2,264**	**2,264**	2,921	2,921
Purchase of investments	**(14)**	**(14)**	(13)	(13)
Proceeds of sale of investments	**195**	**195**	353	353
Net cash inflow/(outflow) from investing activities	**(181)**	**(181)**	(1,171)	(1,171)
Net cash inflow/(outflow) from financing activities				
Repayments of borrowing	**-**	**-**	(418)	*(418)*
Loan repayments received	**15**	**15**	440	*440*
New loans made	**(89)**	**(89)**	(99)	*(99)*
Net cash inflow/(outflow) from financing activities	**(74)**	**(74)**	(77)	(77)
(Decrease)/increase in cash in the year	**53**	**(74)**	(1,930)	(1,922)
Cash and cash equivalents at the beginning of the year	**5,775**	**6,133**	7,705	8,055
Cash and cash equivalents at the end of the year	**5,828**	**6,059**	5,775	6,133

Analysis of cash and cash equivalents

	2024 £000 Company	**2024 £000** Group	2023 £000 Company	2023 £000 Group
Cash in hand and at bank	**966**	**1,197**	987	1,345
Short term deposits	**4,862**	**4,862**	4,788	4,788
	5,828	**6,059**	5,775	6,133

The notes on pages 30 to 65 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities SORP (Second Edition, effective 1 January 2019) and applicable accounting standards FRS102, and under the historical cost convention adjusted for the revaluation of certain fixed assets.

The consolidated financial statements incorporate those of the Blackburn Diocesan Board of Finance Ltd and its subsidiary undertaking The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy for the year ended 31 December 2023. Details of the individual subsidiary results are given in note 28.

Going concern

The Directors are satisfied that there are no material uncertainties about the charitable company's ability to continue in operational existence for the foreseeable future. The Trustees believe they have sufficient reserves to allow time to adjust the operations of the charitable company to meet changed circumstances relating to inflation and energy costs. Accordingly, they continue to adopt the going concern basis in preparing the Trustees' annual report and financial statements.

The Directors believe that the charitable company is a public benefit entity.

Functional currency

These financial statements are presented in pound sterling and are rounded to the nearest £000.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, 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 reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and the assumptions used in determining the value of the pension scheme deficit.

In the view of the Trustees, the following assumption concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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

Fixed assets and depreciation

Assets with a value in excess of £500 are capitalised. Depreciation is provided for on the jointly owned Diocesan Offices and Whalley Abbey Retreat and Conference House. No other depreciation is provided on the charitable company's freehold buildings including parsonage houses (explanation regarding parsonage houses is included in note 17) as the depreciation charge is immaterial. Freehold land is not depreciated.

As it is the charitable company's policy to maintain houses to a high standard, in accordance with a planned approach to repair and maintenance, such properties maintain residual disposal values in aggregate at least equal to their book values.

The charitable company will perform annual impairment testing of assets on which depreciation is not provided to determine whether residual values of housing properties in aggregate continue to exceed carrying value.

The Company holds all Heritage assets at an accurate valuation wherever possible. Where not possible, they are held at depreciated value.

Depreciation is provided to write off the cost less the estimated residual value of other tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Diocesan Offices	50 years on property
	20 years on remodelling
Whalley Abbey Retreat and Conference House	15 years to a residual value of £500,000
Fixtures, fittings and office equipment	4-10 years
Heritage asset	15 years

Fixed asset investments

Fixed asset investments are stated at market value at the balance sheet date. Movements in market value arising during the year are shown as unrealised gains or losses on fixed asset investments in the Statement of Financial Activities.

Investment properties

Investment properties are included at their fair value.

Glebe land is recognised as held for investment purposes when it is held to rent out or there is a signed developers agreement.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Creditors

Creditors are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Income

Parish contributions

Income includes amounts received from Parochial Church Councils in respect of parish share for general, stipends fund and parsonage house fund assessments. Parish share is recognised in the accounts when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

Income from Archbishops' Council and Church Commissioners

Money from National Church Institutions is recognised when entitlement is probable.

Other donations, grants, legacies and similar income

Grants and donations receivable towards the cost of additions or improvements to freehold buildings are credited to income in the period to which they relate. Other grants are recorded as income when entitlement is probable. Other donations are recorded as income when received.

Other trading activities

The income from these sources is recognised on an accruals basis

Investment income

Investment income is recognised on an accruals basis.

Expenditure

Expenditure has been charged to the Statement of Financial Activities on an accruals basis. Expenditure relating directly to the objectives of the charity is shown as direct charitable expenditure.

Grants payable

Grants payable are debited to expenditure when the charitable company has a constructive obligation to pay.

Ministry in parishes

Ministry in Parishes includes the stipends, NI, pensions, housing costs and any direct expenses paid by the charitable company for ministers located in parishes.

Ministry support

Ministry Support includes the costs of the charitable company that provide either a direct service to the parishes or to the community of the parish. It also includes the National Training costs paid to National Church for the training of Ordinands and the costs of Whalley Abbey the retreat house of the Diocese.

Support and governance costs

Governance costs includes audit fee, trustee meeting expenses, Diocesan Synod expenses, Bishop's Council expenses and an allocation of costs based on estimated time spent preparing statutory information and for governance/ strategic issues, by the Finance Team, Diocesan Secretary and Support Services Team.

Support includes the costs of the finance team and general management not included under Governance costs. Support costs have been allocated based on an estimate of time spent in each area.

Taxation

The Blackburn Diocesan Board of Finance Limited (by guarantee) is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in independently administered funds. The amount charged in the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

The charitable company also participates in the Church Workers Pension Fund and the Church of England Funded Pension Scheme (see note 15). The assets of the defined benefit pension schemes are held separately from the charitable company in independently administered funds. The pension costs charged as expenditure represent the BDBF's contributions paid in respect of the accounting period, in accordance with FRS102.

Fund accounting

Funds held by the charitable company are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Unrestricted designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds - this is capital, held in perpetuity to create income for specified purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

2. Donations from Archbishops' Council and Church Commissioners - company & group

	Unrestricted fund		Restricted	Endowment	**Total funds**	Total funds
	General	**Designated**	**funds**	**Funds**	**2024**	2023
	£000	**£000**	**£000**	**£000**	**£000**	£000
Lowest Income Communities Funding	**-**	**-**	**1,510**	**-**	**1,510**	1,460
Resourcing Ministerial Education Funding and Pooling	**26**	**-**	**-**	**-**	**26**	134
Strategic Ministry Fund	**-**	**-**	**902**	**-**	**902**	735
Strategic Capacity Funding	**374**	**-**	**208**	**-**	**582**	453
Strategic Development Funding	**-**	**-**	**1,599**	**-**	**1,599**	1,005
Net Zero Funding	**-**	**-**	**121**	**-**	**121**	15
	400	**-**	**4,340**	**-**	**4,740**	3,802

3. Other donations - company & group

	Unrestricted Funds		**Restricted**	**Endowment**	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2024**	2023
	£000	**£000**	**£000**	**£000**	**£000**	£000
Benefact Trust	**66**	**58**	**-**	**-**	**124**	117
Donations	**11**	**6**	**29**	**-**	**46**	500
Other Grants	**164**	**-**	**86**	**-**	**250**	108
Legacies	**-**	**-**	**22**	**-**	**22**	-
Total other donations - company	**241**	**64**	**137**	**-**	**442**	725
Less Grant from Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy fund	**(125)**	**-**	**-**	**-**	**(125)**	-
Total other donations – group	**116**	**64**	**137**	**-**	**317**	725

4. Charitable activities - company & group

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£000	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	**3**	**-**	**451**	**-**	**454**	438
Church Commissioners - Guaranteed annuities	**-**	**-**	**1**	**-**	**1**	1
Recharges of costs	**43**	**-**	**-**	**-**	**43**	55
Whalley Abbey Conference House	**108**	**-**	**-**	**-**	**108**	162
Income for training courses	**1**	**-**	**-**	**-**	**1**	2
Other fees/sales	**4**	**-**	**-**	**-**	**4**	8
	159	**-**	**452**	**-**	**611**	666

5. Other trading activities - company & group

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£000	£000	£000	£000	£000	£000
Rental Income	**93**	**-**	**145**	**-**	**238**	216
Whalley Abbey Conference House	**95**	**-**	**-**	**-**	**95**	165
Accounting and Legal services	**34**	**-**	**-**	**-**	**34**	33
Other fees/sales	**-**	**-**	**-**	**-**	**-**	8
	222	**-**	**145**	**-**	**367**	422

6. Investment income

Company	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£000	£000	£000	£000	£000	£000
Dividends receivable	**234**	**15**	**397**	**-**	**646**	642
Interest receivable	**227**	**-**	**16**	**-**	**243**	244
Rents receivable	**-**	**-**	**33**	**-**	**33**	32
	461	**15**	**446**	**-**	**922**	918

Group	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£000	£000	£000	£000	£000	£000
Dividends receivable	**234**	**15**	**477**	**-**	**726**	720
Interest receivable	**227**	**-**	**16**	**-**	**243**	244
Rents receivable	**-**	**-**	**33**	**-**	**33**	32
	461	**15**	**526**	**-**	**1,002**	996

7. Other income – company and group

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£000	£000	£000	£000	£000	£000
Gains on disposal of fixed assets	6	-	853	12	871	1,869
	6	-	853	12	871	1,869

8. Cost of raising funds – company and group

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£000	£000	£000	£000	£000	£000
Project Management	48	-	3	-	51	63
Parish share						
Secretariat	18	-	-	-	18	17
Archdeacons	-	-	8	-	8	8
Investment Management Costs	16	-	19	-	35	40
Whalley Abbey Rents	4	-	-	-	4	4
Rents	-	-	16	-	16	20
Fundraising Trading Whalley Abbey	156	-	-	-	156	262
Fundraising Trading other	34	-	-	-	34	33
	276	-	46	-	322	447

9. Expenditure on charitable activities

Company	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£000	£000	£000	£000	£000	£000
Contributions to Archbishops' Council						
Training for ministry	**300**	**-**	**-**	**-**	**300**	302
National Church responsibilities	**179**	**-**	**-**	**-**	**179**	177
Grants and provisions	**31**	**-**	**-**	**-**	**31**	31
Mission Agency pension contributions	**-**	**-**	**-**	**-**	**-**	10
Retired clergy housing costs (CHARM)	**125**	**-**	**-**	**-**	**125**	119
Pooling of ordinand candidates costs	**-**	**-**	**-**	**-**	**-**	25
General Synod expenses	**16**	**-**	**-**	**-**	**16**	17
	651	**-**	**-**	**-**	**651**	681
Parish ministry						
Stipends & National Insurance	**29**	**-**	**5,507**	**-**	**5,536**	5,382
Pension contributions		**-**	**1,197**	**-**	**1,197**	1,232
Housing costs	**98**	**-**	**1,685**	**10**	**1,793**	1,945
Removal, resettlement and other grants	**-**	**-**	**220**	**-**	**220**	230
Other expenses	**2**	**-**	**110**	**-**	**112**	56
	129	**-**	**8,719**	**10**	**8,858**	8,845
Support for parish ministry	**2,136**	**49**	**305**	**-**	**2,490**	2,062
Whalley Abbey Conference House	**303**	**-**	**1**	**-**	**304**	259
Redundant churches	**-**	**-**	**269**	**-**	**269**	236
Strategic Development Funding Projects	**34**	**-**	**743**	**-**	**777**	1,137
St Philip's Centre Project	**48**	**-**	**-**	**-**	**48**	39
Grants to Parishes, Individuals and Other Charities	**47**	**129**	**498**	**-**	**674**	723
	2,568	**178**	**1,816**	**-**	**4,562**	4,456
Expenditure on education						
Grants for the work of the Board	**308**	**-**	**-**	**-**	**308**	324
	308	**-**	**-**	**-**	**308**	324
Charitable activities	**3,656**	**178**	**10,535**	**10**	**14,379**	14,306

Group	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£000	£000	£000	£000	£000	£000
Contributions to Archbishops' Council						
Training for ministry	**300**	**-**	**-**	**-**	**300**	302
National Church responsibilities	**179**	**-**	**-**	**-**	**179**	177
Grants and provisions	**31**	**-**	**-**	**-**	**31**	31
Mission Agency pension contributions	**-**	**-**	**-**	**-**	**-**	10
Retired clergy housing costs (CHARM)	**125**	**-**	**-**	**-**	**125**	119
Pooling of ordinand candidates costs	**-**	**-**	**-**	**-**	**-**	25
General Synod expenses	**16**	**-**	**-**	**-**	**16**	17
	651	**-**	**-**	**-**	**651**	681
Parish ministry						
Stipends & National Insurance	**29**	**-**	**5,507**	**-**	**5,536**	5,382
Pension contributions		**-**	**1,197**	**-**	**1,197**	1,232
Housing costs	**98**	**-**	**1,685**	**10**	**1,793**	1,945
Removal, resettlement and other grants	**-**	**-**	**223**	**-**	**223**	235
Other expenses	**2**	**-**	**110**	**-**	**112**	56
	129	**-**	**8,722**	**10**	**8,861**	8,850
Support for parish ministry	**2,136**	**49**	**307**	**-**	**2,492**	2,062
Whalley Abbey Conference House	**303**	**-**	**1**	**-**	**304**	259
Redundant churches	**-**	**-**	**269**	**-**	**269**	236
Strategic Development Funding Projects	**34**	**-**	**743**	**-**	**777**	1,137
St Philip's Centre Project	**48**	**-**		**-**	**48**	39
Grants to Parishes, Individuals and Other Charities	**47**	**129**	**576**	**-**	**752**	790
	2,568	**178**	**1,896**	**-**	**4,642**	4,523
Expenditure on education						
Grants for the work of the Board	**308**	**-**	**-**	**-**	**308**	324
	308	**-**	**-**	**-**	**308**	324
Charitable activities	**3,656**	**178**	**10,618**	**10**	**14,462**	14,378

10. Analysis of expenditure including allocation of support costs – company and group

Company	**Activities undertaken directly**	**Grant funding of Activities**	**Manage-ment Admin Support**	**Total 2024**	Total 2023
	£000	**£000**	**£000**	**£000**	£000
Cost of raising funds	**262**	**-**	**60**	**322**	447
Contributions to Archbishops' Council	**16**	**635**	**-**	**651**	681
Parish Ministry	**8638**	**220**	**-**	**8,858**	8,845
Support for Parish Ministry	**2,549**	**1,209**	**804**	**4,562**	4,456
Education	**-**	**308**	**-**	**308**	324
Other	**4**	**-**	**-**	**4**	8
	11,469	**2,372**	**864**	**14,705**	14,761

Group	**Activities undertaken directly**	**Grant funding of Activities**	**Manage-ment Admin Support**	**Total 2024**	Total 2023
	£000	**£000**	**£000**	**£000**	£000
Cost of raising funds	**262**	**-**	**60**	**322**	447
Contributions to Archbishops' Council	**16**	**635**	**-**	**651**	681
Parish Ministry	**8638**	**223**	**-**	**8,861**	8,850
Support for Parish Ministry	**2,551**	**1,287**	**804**	**4,642**	4,523
Education	**-**	**308**	**-**	**308**	324
Other	**4**	**-**	**-**	**4**	8
	11,471	**2,453**	**864**	**14,788**	14,833

11. Analysis of support costs – company and group

	Unrestricted funds		**Restricted**	**Endowment**	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2024**	2023
	£000	**£000**	**£000**	**£000**	**£000**	£000
Raising Funds	**52**	**-**	**8**	**-**	**60**	58
Central Administration	**574**	**-**	**22**	**-**	**596**	560
Governance costs						
Secretariat	**36**	**-**	**-**	**-**	**36**	34
Accounting and Finance Office	**39**	**-**	**-**	**-**	**39**	38
Audit & accountancy fees	**26**	**-**	**-**	**-**	**26**	27
Diocesan Synod costs	**11**	**-**	**-**	**-**	**11**	8
BDBF Directors and Bishop's Council Meetings	**19**	**-**	**-**	**-**	**19**	14
Chancellor and Registrar Fees	**75**	**-**	**-**	**-**	**75**	71
Support costs - company	**832**	**-**	**30**	**-**	**862**	810
Support costs – Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy						
Independent Examiner's fees	**-**	**-**	**2**	**-**	**2**	-
Support costs - group	**832**	**-**	**32**	**-**	**864**	810

12. Analysis of transfers between funds – company & group

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
From general fund to stipends income fund (restricted) and housing fund (restricted), to cover the deficits on net expenditure of those funds	(5,444)	-	5,444	-	-
From Pastoral Fund to Parsonages Fund – transfer costs of parsonages bought	-	-	(1,724)	1,724	-
From Vision 2026 fund (designated) to general fund for the Vision Director post	20	(20)	-	-	-
From Diocesan Vision 2026 Strategic Development fund to general fund and Housing fund to cover loss of income from houses used for projects	35	(23)	(12)	-	-
From Diocesan Vision 2026 Strategic Development fund to restricted fund to cover projects expenditure	-	(12)	12	-	-
From general fund to designated funds for Diocesan Conference	(40)	40	-	-	-
From designated funds to general fund to meet Area Dean expenditure	40	(40)	-	-	
From stipends income to designated fund to meet future clergy housing expenditure	-	139	(139)	-	-
From released endowment fund to general fund Whalley Abbey building	195	-	-	(195)	-
From Diocesan Investment Programme fund (restricted) to general fund in line with the condition of the grant funding to support the parish share deficit in turnaround or Diocesan Renewal Programme parishes	807	-	(807)	-	-
Total transfers – company	(4,387)	84	2,774	1,529	-
Transfers on consolidation	125		(125)		
Total transfers – group	(4,262)	84	2,649	1,529	-

The funds that have been transferred have been used in line with any applicable restrictions and have been transferred to make the presentation of the expenditure more transparent. The spending of the funds has extinguished any restrictions.

13. Net income for the year – company and group

	2024	2023
These are stated after charging:	**£000**	£000
Fees payable to the auditor for audit services	**26**	27
Fees payable to the auditor for non audit services	**2**	2
Whalley Abbey Conference House Site Deficit	**214**	146

14. Staff numbers and costs – company and group

The average number of people employed during the year was 70.5 *(2023: 68)*.

The full-time equivalent employees during the year, including sessional workers, has been analysed by teams.

	2024	2023
Enablers and Obligations	**30.9**	26.7
Growing Leaders	**5.8**	6.5
Making Disciples	**2.6**	2.6
Being Witnesses	**1.3**	1.8
Being Witnesses – parish workers	**2.9**	5.2
Area Deans Admin	**2.6**	2.2
Whalley Abbey Conference House	**8.9**	7.4
	54.9	52.4

The aggregate payroll costs of all employees were as follows:

	2024	2023
	£000	£000
Wages and salaries	**1,847**	1,676
Redundancy and settlement payments	**17**	-
Social security costs	**171**	147
Other pension costs	**184**	215
Other benefits	**14**	5
	2,233	2,043

There were 2 employees whose salary was in excess of £60,000 – one in the band £60,000 to £70,000 and one in the band £70,000 to £80,000 (*2023: 2 employees – one in the band £60,000 to £70,000 and one in the band £70,000 to £80,000)*

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 2024 they were:

Diocesan Secretary:	Canon Stephen Whittaker
Deputy Diocesan Secretary and Company Secretary	Mrs Ruth McGaughey
Deputy Diocesan Secretary	Mrs Carolyn Barton

Remuneration, pension and expenses for these 3 employees amounted to £237,473 (*2023: £251,022*).

In addition to the foregoing numbers of persons employed by the charitable company in 2024 there were 173.1 (*2023: 173.6*) full time equivalent stipendiary clergy in post in the Diocese. These may be analysed as follows:

	2024	2023
Archdeacons	**2.0**	2.0
Incumbents	**136.4**	134.9
Curates	**34.4**	36.2
Lay Workers	**0.3**	0.5
	173.1	173.6

The average number of stipendiary clergy in post during 2024 was 184.5 (*2023: 185).*

Although not employed by the charitable company the payroll costs of the above persons are met by the charitable company and are included in the financial statements. The aggregate payroll costs of the above persons are as follows:

	2024	2023
	£000	£000
Stipend	**5,189**	4,833
Redundancy and settlement payments	**24**	140
Social security costs	**425**	379
Apprenticeship Levy	**24**	22
Pension costs - current year	**1,197**	1,232
	6,859	6,606

Trustees' emoluments

	Average number of directors	
	2024	2023
Directors	**22.7**	23

No trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £14,795 (*2023 - £16,444)* in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Trustees.

Trustees who are also licensed stipendiary clergy and archdeacons in the Diocese were in receipt of a stipend and housing provided by the BDBF during the year. The BDBF is also responsible for the provision of housing for the Suffragan Bishops but excluding the Diocesan Bishop and cathedral staff.

15. Pension schemes – company and group

Church of England Funded Pension Scheme

The BDBF 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 Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The next actuarial valuation is due at 31 December 2024. The calculations for this are under way. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:.

	% of pensionable stipends
31 December 2022	Nil
31 December 2023	Nil
31 December 2024	Nil

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. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

	2024 £'000	2023 £'000
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	-
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate 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. No assumptions are needed for December 2024 as there are no agreed deficit recovery payments going forward.

	December 2024	December 2023	December 2022
Discount rate	n/a	n/a	n/a
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	n/a

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

Office holder contributions totalled £1,190,494 in 2024 (*2023: £1,204,736*).

Group Personal Pension Plan

The BDBF participates in a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the BDBF in an independently administered fund. The pension cost charge for the year represents contributions payable by the BDBF to the fund.

Church Workers Pension Fund

The BDBF participates in the Defined Benefits Scheme (DBS) section of the Church Workers Pension Fund (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.

For funding purposes, the 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 the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if DBS 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 2024: £0 *(*2023: £27,545*)*.

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

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2022. In this valuation, the Life Risk Section was shown to be in surplus by £73.6m. and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022. The calculations for this are under way.

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 45.2% of pensionable salary and expenses of £3,200 per year.

The joint movement in the provision is set out below:

Joint Movement	2024 £'000	2023 £'000
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	-	-
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate 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 2024	December 2023	December 2022
Discount rate	N/A	N/A	0.00%

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.

Parsonages Board Retirement Benefit Schemes

The Parsonages Board Retirement Benefit Schemes contains one scheme with one member. It is a defined benefit scheme with the Ecclesiastical Insurance Group.

The scheme is not considered material within the assets of the Blackburn Diocesan Board of Finance and due to the cost to the charity of obtain information on the scheme the Blackburn Diocesan Board of Finance have not complied in full with the requirements of FRS102 in respect of pension disclosures.

The deficit was recognised at 1 January 2014 based on the triannual valuation (2013) of £94,200. The SOFA has been charged with the future service contribution rate with the past service deficit reducing the balance sheet liability in the intervening years. The balance sheet deficit has been adjusted on receipt of the latest triannual valuation report (June 2022). The deficit recognised at 31 December 2024 is £0.

The scheme was closed in February 2025 and a small surplus was repaid to the Blackburn Diocesan Borad of Finance. This is an immaterial post balance sheet event which has not been reflected in the results to the 31 December 2024.

16. Analysis of grants made

Company **Included Within**	**Grants to Individuals £000**	**Grants to Institutions £000**	**2024 Total £000**	2023 Total £000
Contributions to Archbishops' Council	**-**	**636**	**636**	664
Parish Ministry				
First appointment and resettlement grants	**220**	**-**	**220**	230
Support for parish ministry				
Ordinands	**118**	**-**	**118**	140
Harvest appeal charities	**-**	**25**	**25**	30
Parishes	**-**	**972**	**972**	906
Area Deans (parishes)	**-**	**14**	**14**	21
Continuing ministerial education	**9**	**-**	**9**	8
Churches Together in Lancashire	**-**	**6**	**6**	6
Clergy hardship grants	**4**	**-**	**4**	14
Blackburn Cathedral	**-**	**16**	**16**	-
Inter Diocesan Counselling services	**-**	**10**	**10**	10
Emmanuel Theological college	**-**	**30**	**30**	10
Other	**-**	**4**	**4**	4
Education – Blackburn Diocesan Board of Education	**-**	**308**	**308**	324
Total Grants Payable - Company	**351**	**2,021**	**2,372**	2,367
Resettlement grants on retirement	**3**	**-**	**3**	5
Retired clergy and clergy widows	**78**	**-**	**78**	67
Total Grants Payable - Group	**432**	**2,021**	**2,453**	2,439

17. Tangible fixed assets – company and group

	Parsonages **£000**	***Non Parsonages/ Land*** **£000**	**Total Freehold land and buildings £000**	**Fixtures, fittings and office equipment £000**	**Total £000**
Cost or valuation					
At beginning of year	29,457	14,807	**44,264**	318	**44,582**
Additions	1,724	704	**2,428**	198	**2,626**
Disposals	-	(1,389)	**(1,389)**	(18)	**(1,407)**
At end of year	**31,181**	**14,122**	**45,303**	**498**	**45,801**
Depreciation					
At beginning of year	-	996	**996**	212	**1,208**
Charge for year	-	18	**18**	33	**51**
Disposals	-	-	**-**	(16)	**(16)**
At end of year	-	1,014	**1,014**	229	**1,243**
Net book value					
At 31 December 2024	**31,181**	**13,108**	**44,289**	**269**	**44,558**
At 31 December 2023	29,457	13,811	43,268	106	43,374

Parsonage houses are legally vested in the incumbent (an "ecclesiastical corporation sole") as freeholder during his incumbency. Three features of the incumbent's freehold have significantly influenced the accounting treatment adopted in these financial statements. Firstly, the freeholder is not free to dispose of the house for personal benefit and is not responsible for maintaining the house. Secondly, proceeds of any sale, following a pastoral reorganisation which makes the house surplus, normally revert to the Diocesan Pastoral Account or Diocesan Stipends Fund. Thirdly, the Diocese is responsible for repair and maintenance, a responsibility which is currently carried out by the Diocesan Property Committee. The Diocese therefore carries both the benefits and obligations of ownership, and accordingly the financial statements include the parsonage houses together with other Diocesan land and buildings.

Parsonage houses and other Diocesan residential houses have been included in tangible fixed assets at cost, or valuation where cost was not available for houses purchased prior to 1998. The valuation attributed to each house was the mid-point (low point for the top two bands) of the council tax valuation banding applied to the house. The aggregate value of the houses valued in this way amounted to £18,745,000 *(2023:* £19,129,000*)*.

Heritage Asset

Whalley Abbey was bought from the Diocese of Manchester in 1926. It comprises substantial remains of a Cistercian Abbey founded in 1296 and dissolved in 1537.

The Abbey of St Mary the Virgin, also known as Locus Benedictus de Whalley was founded by Henry de Lacy, third Earl of Lincoln on the 4th April 1296. The Abbey had moved from the unfavourable site of Stanlaw into the Parsonage and other temporary buildings at Whalley in 1283, when there were 20 monks.

Excavation has uncovered the outlines of the church, surviving as foundations, as does the eastern claustral range and the polygonal Chapter House.

The standing Abbey buildings and Conference House

The following notes are extracted from the Conservation Plan prepared in 2002.

The Conservation Plan was compiled under the direction of John Prichard (Lloyd Evans Prichard), architect accredited in building conservation, with architectural history advice from James Anderson and Clare Hartwell (Architectural History Practice), and archaeological advice from Jason Wood (Heritage Consultancy Services).

North-East Gatehouse

The North-East Gatehouse dates to circa 1480, and was constructed to provide an impressive entrance to the Abbot's Lodging and *Clausum*, the sacred precinct. It echoes the earlier North-West Gatehouse with its two entrance ways, but is embellished with diagonal buttresses, crenelation, and a statue niche.

Courtyard North Range

The Courtyard North Range may include some medieval content, but the present structures are principally seventeenth century, with nineteenth-century additions, and substantial late twentieth-century alterations to create the tea room, kitchen, and exhibition room. It is excluded from the scheduling.

The Conference House

The Conference House is excluded from the scheduling, but it deserves its Grade I status and is of national significance. The individual components are considered below, and elements of significance discussed.

The central block includes original medieval fabric, such as the arch adjacent to the chapel, as well as medieval stonework which has probably been re-used from demolished structures, such as the window between the Dining Room and the kitchen. The nineteenth century interiors are a very good example of Gothic Revival/Arts and Crafts work; particularly noteworthy is the roof and fireplace in the Great Hall and the staircase decorated windows.

The East Wing

The East Wing extends south from the chapel and comprises inter alia the Paslew Suite and the Peter of Chester room on the ground floor, and seven bedrooms on the first floor. The Paslew Suite and Peter of Chester room may incorporate medieval material, but they, and the bedrooms immediately above, were substantially rebuilt in the late sixteenth century, as evidenced by the mullioned windows in the east wall, the date stone (not always a true indicator and the dating of Forrest Historic by English Heritage during the 21stC refurbishment works. An extension was added in the mid-nineteenth century, with bedrooms above.

The West Wing

The West Range was added in the 1860s, and was well designed externally to blend with the late seventeenth-century gabled north extension, and the remains of the Abbot's Kitchen and Long Gallery Range on the west.

The BDBF recognises its responsibility to preserve the heritage asset and is currently looking to raise funds to be able to undertake work on the ruins. It does not intend to acquire other heritage assets. Whalley Abbey grounds are open to the public to view the ruins but access is restricted to the buildings on the site.

The current asset value for Whalley Abbey is £0.9m after a major refurbishment of the house in 2004. The asset is being depreciated over 15 years to £0.5m. The depreciated value represents the value in the accounts of the whole site and is based on an indication made by a local surveyor. It is difficult to obtain an accurate valuation for the site as the ruins represent a continued liability for their maintenance and upkeep which considerably reduces the value of the asset if sold in its entirety.

18. Investments and investment property

Company	**Investment Property £000**	**Unlisted CBF investments £000**	**Others investments £000**	**Total investments £000**
At valuation				
At beginning of year	1,537	20,613	9	22,159
Additions	-	14	-	14
Disposals	(38)	(188)	-	(226)
Increase (decrease) in market value	8	423	-	431
At end of year	**1,507**	**20,862**	**9**	**22,378**
At historic cost	464	10,611	9	11,084

Group	**Investment Property £000**	**Unlisted CBF investments £000**	**Others investments £000**	**Total investments £000**
At valuation				
At beginning of year	1,537	23,329	15	24,881
Additions	-	14	-	14
Disposals	(38)	(188)	-	(226)
Increase (decrease) in market value	8	481	-	489
At end of year	**1,507**	**23,636**	**15**	**25,158**
At historic cost	464	11,154	15	11,633

Investment property is Diocesan glebe land vested in the DBF under the Endowments and Glebe Measure 1976 that is held for the purposes of producing income for clergy stipends. The glebe land is measured at fair value at the year end by an independent RICS registered valuer. The valuation has been undertaken in accordance with International and RICS Valuation Standards and has been based upon the valuer's experience in the valuation of agricultural, institutional and amenity land within the Lancashire and wider north-west region.

Unlisted investments are made up of Central Board of Finance investments in Church of England Investment Fund shares, Property Fund shares and Fixed Interest Securities.

19. Debtors

	2024 £000 Company	**2024 £000 Group**	2023 £000 Company	2023 £000 Group
Amounts receivable within one year				
Prepayments and accrued income	**710**	**729**	788	807
Amounts due from National Church Institutions	**1,743**	**1,743**	384	384
Other debtors	**181**	**181**	905	905
Loans to parishes	**30**	**30**	24	24
	2,664	**2,683**	2,001	2,020
Amounts receivable after more than one year				
Loans to parishes	**155**	**155**	87	87
	155	**155**	87	87
Total Debtors	**2,819**	**2,838**	**2,088**	**2,107**

20. Creditors

	2024 £000 Company	**2024 £000 Group**	2023 £000 Company	2023 £000 Group
Amounts falling due within one year				
Trade creditors	**333**	**333**	172	172
Other creditors (taxation and social security)	**41**	**41**	60	60
Other creditors	**93**	**93**	434	434
Accruals	**45**	**49**	103	106
Deferred income	**835**	**835**	21	21
	1,347	**1,351**	790	793

	2024 £000	**2024 £000**	2023 £000	2023 £000
Amounts falling due after more than one year				
Due to Churches Conservation Trust	**130**	**130**	130	130
	130	**130**	130	130

The amount owed to Churches Conservation Trust is due on disposal of three redundant church buildings.

Deferred income represents payments received in advance for future Whalley Abbey events and grant income where the conditions of the grant have not been met yet.

Analysis on movement in deferred income	**2024 £000 Company**	**2024 £000 Group**
At beginning of year	**21**	**21**
Recognised in year	**(21)**	**(21)**
Deferred income in 2024	**835**	**835**
At end of year	**835**	**835**

21. Commitments – company & group

Commitments at 31 December 2024, for which no provision has been made in these accounts, were as follows:

	2024	2023
	£000	£000
Authorised, but not contracted:		
Parish Vision Fund	**126**	233
Pre-reformation Church Buildings Fund	**-**	131
Lower Income Communities Fund	**83**	82
Clergy Housing Fund	**404**	436
Whalley Abbey Quinquennial repairs	**155**	-
	768	882

22. Called up share capital

The charitable company is limited by guarantee, registered in England and does not have an authorised or allotted share capital.

23. Net assets analysed by fund

Company	**Tangible Fixed Assets**	**Fixed Asset Investment**	**Current Assets**	**Current Liabilities**	**Long Term Creditor**	**Net Assets as at 31 December 2024**
	£000	£000	£000	£000	£000	**£000**
General Fund	1,812	7,143	1,403	(450)	-	9,908
Designated Funds	-	528	2,135	-	-	2,663
Total Unrestricted Funds	1,812	7,671	3,538	(450)	-	12,571
Pastoral Account	7,255	-	2,770	-	(130)	9,895
Other Restricted Funds	5	22	1,532	(897)	-	662
Total Restricted Funds	7,260	22	4,302	(897)	(130)	10,557
Parsonage Houses Fund	31,181	1,173	-	-	-	32,354
Stipends Capital / Housing Fund	4,305	11,324	805	-	-	16,434
Other Endowment Funds	-	2,188	5	-	-	2,193
Total Endowment Funds	35,486	14,685	810	-	-	50,981
Total	**44,558**	**22,378**	**8,650**	**(1,347)**	**(130)**	**74,109**

Group	Tangible Fixed Assets	Fixed Asset Investment	Current Assets	Current Liabilities	Long Term Creditor	Net Assets as at 31 December 2024
	£000	£000	£000	£000	£000	**£000**
General Fund	1,812	7,143	1,403	(450)	-	9,908
Designated Funds	-	528	2,135	-	-	2,663
Total Unrestricted Funds	1,812	7,671	3,538	(450)	-	12,571
Pastoral Account	7,255	-	2,770	-	(130)	9,895
Other Restricted Funds	5	268	1,782	(901)	-	1,154
Total Restricted Funds	7,260	268	4,552	(901)	(130)	11,049
Parsonage Houses Fund	31,181	1,173	-	-	-	32,354
Stipends Capital / Housing Fund	4,305	11,324	805	-	-	16,434
Other Endowment Funds	-	4,722	5	-	-	4,727
Total Endowment Funds	35,486	17,219	810	-	-	53,515
Total	**44,558**	**25,158**	**8,900**	**(1,351)**	**(130)**	**77,135**

24. Unrestricted funds

Unrestricted funds comprise those funds which are available for application for the general purposes of the charity as set out in its governing document. Movements on this fund are as follows:

	At 1 January 2024 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2024 £000
General Fund	8,913	9,044	(3,932)	145	(4,262)	9,908

	At 1 January 2024 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2024 £000
Designated Funds						
Office Assets Fund	496	14	-	11	-	521
Parsonages Fund	112	-	-	-	139	251
Parish Vision 2026 Grant and Loan Fund	813	4	(130)	-	-	687
Diocesan Vision Strategic Development Fund	477	-	1	-	(20)	458
Diocesan Vision 2026 Fund	349	61	(48)	-	(35)	327
Allchurches Trust Grant Fund	238	-	(1)	-	-	237
Other Designated Funds	182	-	-	-	-	182
	2,667	79	(178)	11	84	2,663

Designated Funds

Fund	Application/purpose
Office Assets Fund	Designated for repairs, renovation or for buying a new building in the future.
Parsonages Fund	For repairs and disability adaptation on parsonages in excess of parish share budget
Parish Vision 2026 Grant and Loan Fund	Designated to provide grants and some of the loans to parishes to continue their mission projects
Diocesan Vision Strategic Development Fund	Designated to provide match funding necessary for Strategic Development Funding applications
Diocesan Vision 2026 Fund	Designated to contingencies for the development of the diocesan vision
Allchurches Trust Grant Fund	The fund assists with funding the cost of diocesan projects, building administration costs, education, parish mission projects and major building works.

25. Restricted funds

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

	At 1 January 2024 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2024 £000
Diocesan Pastoral Account	10,801	914	(280)	-	(1,724)	9,711
Diocesan Stipends Fund Income Account	-	1,925	(8,760)	-	6,835	-
Ephesian fund	-	273	-	-	(273)	-
Social Responsibility Projects	70	2	-	-	-	72
Bishops Ordination Fund	144	1	(10)	-	-	135
Resourcing Ministerial Education (RME) Fund	154	-	(30)	-	(1)	123
Bishop's Harvest Appeal	23	23	(25)	-		21
Bishop's Clergy in Need Fund	39	2	-	-	-	41
SDF Funded Projects	57	714	(791)	-	(3)	(23)
DIP Fund	-	885	(72)	-	(807)	6
Net Zero Carbon Fund	-	260	(149)	-		111
Lower Income Communities Funding	-	1,510	(252)	-	(1,253)	5
Parish Pastoral Fund	184	-	-	-	-	184
Other Restricted Funds	245	137	(212)	1	-	171
Subtotal Funds – Company	11,717	6,646	(10,581)	1	2,774	10,557
Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy	619	80	(83)	1	(125)	492
Total Funds - Group	12,336	6,726	(10,664)	2	2,649	11,049

The specific purposes for which the funds are to be applied are as follows:

Fund	Application/purpose
Diocesan Pastoral Account	Purposes are laid down in Section 78 of the Pastoral Measure 1983, the main purposes being: ● Costs incurred for the purposes of the Measure or any scheme or order made by the measure except for salaries of regular diocesan employees ● Costs of disposing of or maintaining houses or churches vested in the DBF or Commissioners ● For the benefit of another diocese ● Transfer to the DSF Capital or Income Funds
Diocesan Stipends Fund Income Account	Subject to any charges imposed by the 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 ● Paying secondary Class 1 contributions in respect of ministers not employed under a contract of service ● Defray sequestrators' expenses
Ephesian Fund	The fund exists to enable parishes to pay their share through the Ephesian Fund and be assured that their money has been allocated to churches that have signed up to the Church of England Evangelical Council statement of faith.

Social Responsibility Projects	The Social Responsibility section received funding for specific projects and for its general costs relating to those projects. Project funding was restricted to the project it had been requested for and approved expenditure is applied against the funding in accordance with the funders rules.
Bishop's Ordination Fund	The Ordination Fund is used to assist with meeting the costs of Ordinands in training.
Resourcing Ministerial Education (RME) Fund	Specific funding for Ordinands in training from National Church.
Bishop's Harvest Appeal	Each year the Bishop selects a charity to benefit from his Harvest Appeal. Parishes, Schools and individuals within the Diocese collect money in support of this charity and the monies are distributed by the Diocese in accordance with the appeal.
Bishop's Clergy In Need Fund	The fund was established by transfer of some of the Extra Mission and Ministry funds received from the Archbishops' Council 2008 – 2010. Grants from the fund are awarded at the discretion of the Bishop, to serving clergy in the Diocese.
Strategic Development Fund	Specific funding for the Outer Estates, Preston Resourcing parish and Lighting Up New Generations projects from National Church
Diocesan Investment Programme (DIP) Fund	National funding to support local parishes develop mission within particular geographical areas and demographic groups, to develop and deliver diocesan-wide transformation programmes and to increase the number of newly ordained ministers
Net Zero Carbon Fund	Funding from National Church providing project management and fundraising capacity to deliver actions in the synod approved net zero action plan aligning with the national church aim to be carbon net zero by 2030. Funding also supports energy decarbonisation reports for schools and churches in Blackburn and Carlisle dioceses and 'quick wins' church improvement projects in Blackburn diocese.
Lower Income Communities Fund	Funding to promote the growth of churches in Lower Income Communities
Parish Pastoral Fund	This fund reflects monies ring fenced from the sale of a vicarage in a parish where no scheme for pastoral re-organisation is currently in place. The monies must be held until either a vicarage is purchased, or a scheme is put in place.
Other restricted funds	Various small funds including overseas link dioceses, ordinands training, Whalley Abbey bursary fund, Whalley Abbey grounds and chapel renovation, J Lofthouse fund for pre-reformation churches (spent in 2024), ministry support and others.
Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy	The Fund is used to help clergy widows and retired clergy in cases of financial hardship, particularly with housing costs. It funds the cost of social events and the cost of the Diocesan Officer and Bishop's visitors.

26. Endowment funds

The endowment funds are held on trust to be retained for the benefit of the Charity as a capital fund. Where the whole of the fund must be permanently maintained it is known as permanent endowment. Where there is power of discretion to convert endowed funds into income, the fund is classified as expendable endowment.

	At 1 January 2024	Income	Expenditure	Gains and losses	Transfers	At 31 December 2024
	£000	£000	£000	£000	£000	£000
Diocesan Stipends Fund Capital Account	16,242	4	(14)	202		16,434
Parsonage Houses Fund	30,604	-	-	26	1,724	32,354
Other Permanent endowment						
Maintenance of the Ministry	344	-	-	-	-	352
General purposes	428	-	-	10	-	438
Whalley Abbey	187	8	-	-	(195)	-
Other endowments	9	-	-	-	-	9
Stipends	1,366	-	-	28	-	1,394
Subtotal Funds - Company	49,180	12	(14)	274	1,529	50,981
Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy	2,477	-	-	57	-	2,534
Total Funds - Group	51,657	12	(14)	331	1,529	53,515

The Diocesan Stipends Fund Capital Account

This fund represents the value of glebe property and investments at the balance sheet date and is a permanent endowment fund.

The account is governed by the Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure 1992.

Income arises from the sale of glebe assets, the transfer of parsonage sale money, transfers from the DSF Income account, as well as gifts, bequests and donations.

The main function of the fund is to produce income for the stipends, but it may also be used for other purposes including: acquiring glebe property, investing in a subsidiary, developing and protecting glebe amenities, investment, discharging loans and levies on glebe, improving parsonage houses and discharging any loans made by the Church Commissioners under the Endowments and Glebe Measure 1976.

Parsonages Houses fund

This fund represents the value of benefice houses at the balance sheet date, together with the Parsonages Building Fund held by the Church Commissioners and investments held by the Parsonages Board. The houses are used to provide accommodation for the parochial clergy.

The Diocese is not free to dispose of the houses except in accordance with the appropriate measure. There is provision for the net proceeds of sale to be applied to either the Diocesan Pastoral Account or Diocesan Stipends Fund Capital once a disposal has been effected.

The Parsonage Houses fund is an expendable endowment.

Other Permanent endowments

The permanent endowments are established under a variety of trust deeds and documents which require the funds to be held in perpetuity. The income of the funds is to be applied to the Bishop of Blackburn's fund for widows and orphans of poor clergy, Maintenance of the Ministry fund, General purposes fund, Diocesan Stipends Income fund, Whalley Abbet fund (endowment released in 2024) and other smaller endowment funds.

27. Related parties' transactions – company and group

The Blackburn Diocesan Board of Education (BDBE)
The Blackburn Diocesan Board of Education (BDBE) is a separate registered charity, which has responsibility for 191 Church schools across the Diocese. It provides pastoral and professional support to all its schools and has particular commitment to enhancing the quality of provision for Religious Education.
The Rt Revd Philip North is a director of both the BDBF and BDBE.
The Venerable David Picken is also a director of both the BDBF and BDBE.
Canon Stephen Whittaker is a director of the BDBE and is Diocesan Secretary of the BDBF.

The BDBF provides significant funding to the BDBE by way of a grant. Grants made to the BDBE during the year amounted to £308,154 (*2023 £324,061*).
Grants made from the BDBE to the BDBF during the year amounted to £ 27,154 (*2023: £19,274*).
Goods and services made from the BDBF to the BDBE during the year amounted to £30,406 (*2023: £27,867*) net of VAT where applicable.
The balance owing at 31/12/24 was £44,760 (*2023 £1,700*).

Blackburn Cathedral
Blackburn Cathedral is a separate entity to the BDBF but is engaged in many shared missional aims and activities. The Cathedral is the seat of the Diocesan Bishop.
During the year, the Blackburn Diocesan Board of Finance Ltd bought goods and services from Blackburn Cathedral amounting to £40,323 (*2023 £17,707*).
The balance owing for these services at 31/12/24 was £4,124 (*2023 £nil*).
The Cathedral have an outstanding loan due to the BDBF of £7,340 (*2023 £7,340*).
The BDBF had no recharged costs to the Cathedral in 2024 (*2023 £14,631*).

Emmanuel Theological College (ETC)
The Rt Revd Philip North is a director of both the BDBF and ETC.
Revd David Craven is a director of both the BDBF and ETC.
Grants made to Emmanuel Theological College from the BDBF during the year amounted to £30,000 (2023 £10,000).
During the year, the BDBF paid £18,284 to ETC for training of readers and ordinands (2023 £133,246).
Services made to ETC during the year amounted to £1,364 (2023 £3,360).
The balance owing at 31/12/24 was £nil (2023 £720).

Cidari Education Ltd
Cidari is a multi-academy trust that serves the Diocesan church schools. Trust members are taken from corporate offices of the Church of England within the Diocese of Blackburn.
Cidari shared office space with the BDBF up until December 2023. Recharges during this year amounted to £153 (2023 £10,006).

During the year donations received from trustees amounted to £4,345 (*2023: £4,769*). No donations have been received from key management personnel (*2023: £nil*).

28. Subsidiary undertakings

The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy ("the fund") is a subsidiary of the Blackburn Diocesan Board of Finance on the basis of common control. The purpose of the fund is to help clergy widows and retired clergy in cases of financial hardship, particularly with housing costs.

The results for the year to 31 December 2024 and the assets and liabilities at this date are:

	Income	Expenditure	Gains and Losses	Net Movement in Funds
	£000	£000	£000	£000
The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy Charity number: 505091	80	(208)	58	(70)

	Fixed Assets Investments	Debtors	Deposits and Cash	Creditors	Total Net Assets
	£000	£000	£000	£000	£000
The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy Charity number: 505091	2,780	19	231	(4)	3,026

29. Financial instruments

Company	**2024**	2023
	£000	£000
Financial assets measured at fair value	**22,379**	22,159
Financial assets measured at amortised cost	**8,675**	7,864
Financial liabilities measured at amortised cost	**1,372**	790
Financial liabilities measured at fair value	**130**	130

Group	**2024**	2023
	£000	£000
Financial assets measured at fair value	**25,159**	24,881
Financial assets measured at amortised cost	**8,925**	8,241
Financial liabilities measured at amortised cost	**1,376**	793
Financial liabilities measured at fair value	**130**	130

Financial assets measured at fair value comprise investments.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and receivables and parish loans.

Financial liabilities measured at amortised cost comprise accruals, other creditors, the Clergy Pension Scheme liability and amounts held for other bodies.

Financial liabilities measured at fair value comprise value linked loans.

30. Funds held as custodian trustee – company and group

The BDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. PCC trust investment assets held by the BDBF have been summarised below at market value:

	2024	2023
	£000	£000
CBF Church of England Deposit fund	**5,451**	4,768
CBF Church of England Investment fund	**11,183**	11,131
CBF Church of England Fixed Interest fund	**265**	255
CBF Church of England Property fund	**58**	58
Other	**26**	44
Cash at bank	**4**	8
Total assets held as custodian trustee	**16,987**	16,264

The BDBF also acts as custodian trustee in relation to Parochial Church Council (PCC) property. These assets are held separately to those of the BDBF.

31. Prior year comparative Statement of Financial Activities

Statement of Financial Activities - Company	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Desig-nated			2023
	£000	£000	£000	£000	£000
Income and endowments from:					
Donations and legacies					
Parish contributions	7,877	-	-	-	7,877
Archbishops' Council and Church commissioners	425	-	3,377	-	3,802
Other	100	84	111	430	725
Charitable activities: statutory fees, chaplaincy and other income	195	-	471	-	666
Other trading activities	287	-	135	-	422
Investments	451	14	453	-	918
Other	2	-	1,524	343	1,869
Total Income and endowments	9,337	98	6,071	773	16,279
Expenditure on:					
Raising funds	408	-	36	3	447
Charitable activities	3,420	162	10,723	1	14,306
Other	-	-	-	8	8
Total Expenditure	3,828	162	10,759	12	14,761
Net income/(expenditure) before investments	5,509	(64)	(4,688)	761	1,518
Net gains/(losses) on investments	473	43	2	900	1,418
Net income/(expenditure) before transfers	5,982	(21)	(4,686)	1,661	2,936
Transfers between funds	(5,589)	(294)	3,843	2,040	-
Net income/(expenditure) before other recognised gains and losses	393	(315)	(843)	3,701	2,936
Other recognised gains/(losses) Gain/(loss) on defined benefit pension schemes	-	-	-	-	-
Net movement in funds	393	(315)	(843)	3,701	2,936
Reconciliation of funds					
Total funds at 1 January 2023	8,520	2,982	12,560	45,479	69,541
Total funds at 31 December 2023	8,913	2,667	11,717	49,180	72,477

Statement of Financial Activities - Group	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Desig-nated			2023
	£000	£000	£000	£000	£000
Income and endowments from:					
Donations and legacies					
Parish contributions	7,877	-	-	-	7,877
Archbishops' Council and Church commissioners	425	-	3,377	-	3,802
Other	100	84	111	430	725
Charitable activities: statutory fees, chaplaincy and other income	195	-	471	-	666
Other trading activities	287	-	135	-	422
Investments	451	14	531	-	996
Other	2	-	1,524	343	1,869
Total Income and endowments	9,337	98	6,149	773	16,357
Expenditure on:					
Raising funds	408	-	35	3	446
Charitable activities	3,420	162	10,796	1	14,379
Other	-	-	-	8	8
Total Expenditure	3,828	162	10,831	12	14,833
Net income/(expenditure) before investments	5,509	(64)	(4,682)	761	1,524
Net gains/(losses) on investments	473	43	(15)	1,114	1,615
Net income/(expenditure) before transfers	5,982	(21)	(4,697)	1,875	3,139
Transfers between funds	(5,589)	(294)	3,843	2,040	-
Net income/(expenditure) before other recognised gains and losses	393	(315)	(854)	3,915	3,139
Other recognised gains/(losses)					
Gain/(loss) on defined benefit pension schemes	-	-	-	-	-
Net movement in funds	393	(315)	(854)	3,915	3,139
Reconciliation of funds					
Total funds at 1 January 2023	8,520	2,982	13,190	47,742	72,434
Total funds at 31 December 2023	8,913	2,667	12,336	51,657	75,573

32. Prior year comparative Archbishops' Council and Church Commissioners - company & group

	Unrestricted fund		Restricted	Endowment	Total funds
	General	Designated	funds	Funds	2023
	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,460	-	1,460
Energy Costs Grant	-	-	-	-	-
Resourcing Ministerial Education/Funding	6	-	128	-	134
Strategic Ministry Fund	-	-	735	-	735
Strategic Capacity Funding	419	-	34	-	453
Strategic Development Funding	-	-	1,005	-	1,005
Clergy hardship grant	-	-		-	-
Net Zero Funding	-	-	15	-	15
	425	-	3,377	-	3,802

33. Prior year comparative Other donations - company & group

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£000	£000	£000	£000	£000
Benefact Trust	44	80	(7)	-	117
Donations	12	4	54	430	500
Other Grants	44	-	64	-	108
Legacies	-	-	-	-	-
	100	84	111	430	725

34. Prior year comparative Charitable activities - company & group

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	-	-	438	-	438
Church Commissioners - Guaranteed annuities	-	-	1	-	1
Recharge of staff costs	23	-	32	-	55
Whalley Abbey Conference House	162	-	-	-	162
Income for training courses	2	-	-	-	2
Other fees/sales	8	-	-	-	8
	195	-	471	-	666

35. Prior year comparative Other trading activities - company & group

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£000	£000	£000	£000	£000
Rental Income	83	-	133	-	216
Whalley Abbey Conference House	165	-	-	-	165
Accounting and Legal services	33	-	-	-	33
Other fees/sales	6	-	2	-	8
	287	-	135	-	422

36. Prior year comparative Investment Income

Company	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£000	£000	£000	£000	£000
Dividends receivable	230	14	398	-	642
Interest receivable	221	-	23	-	244
Rents receivable	-	-	32	-	32
	451	14	453	-	918

Group	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£000	£000	£000	£000	£000
Dividends receivable	230	14	476	-	720
Interest receivable	221	-	23	-	244
Rents receivable	-	-	32	-	32
	451	14	531	-	996

37. Prior year comparative Other income – company and group

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£000	£000	£000	£000	£000
Gains on disposal of fixed assets	2	-	1,524	343	1,869
	2	-	1,524	343	1,869

38. Prior year comparative Cost of raising funds – company and group

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	General	Designated	Funds	Funds	2023
	£000	£000	£000	£000	£000
Project Management	63	-	-	-	63
Parish share					
Secretariat	17	-	-	-	17
Archdeacons	-	-	8	-	8
Investment Management Costs	29	-	8	3	40
Whalley Abbey Rents	4	-	-	-	4
Rents	-	-	20	-	20
Fundraising Trading Whalley Abbey	262	-	-	-	262
Fundraising Trading other	33	-	-	-	33
	408	-	36	3	447

39. Prior year comparative Expenditure on charitable activities

Company	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£000	£000	£000	£000	£000
Contributions to Archbishops' Council					
Training for ministry	302	-	-	-	302
National Church responsibilities	177	-	-	-	177
Grants and provisions	31	-	-	-	31
Mission Agency pension contributions	10	-	-	-	10
Retired clergy housing costs (CHARM)	119	-	-	-	119
Pooling of ordinand candidates costs	25	-	-	-	25
General Synod expenses	17	-	-	-	17
	681	-	-	-	681
Parish ministry					
Stipends & National Insurance	18	-	5,364	-	5,382
Pension contributions	-	-	1,232	-	1,232
Housing costs	56	-	1,888	1	1,945
Removal, resettlement and other grants	-	-	230	-	230
Other expenses	2	-	54	-	56
	76	-	8,768	1	8,845
Support for parish ministry	1,847	32	183	-	2,062
Whalley Abbey Conference House	259	-	-	-	259
Redundant churches	-	-	236	-	236
Strategic Development Funding Projects	19	-	1,118	-	1,137
St Philip's Centre Project	39	-	-	-	39
Grants to Parishes, Individuals and Other Charities	175	130	418	-	723
	2,339	162	1,955	-	4,456
Expenditure on education					
Grants for the work of the Board	324	-	-	-	324
	324	-	-	-	324
Charitable activities	3,420	162	10,723	1	14,306

Group	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£000	£000	£000	£000	£000
Contributions to Archbishops' Council					
Training for ministry	302	-	-	-	302
National Church responsibilities	177	-	-	-	177
Grants and provisions	31	-	-	-	31
Mission Agency pension contributions	10	-	-	-	10
Retired clergy housing costs (CHARM)	119	-	-	-	119
Pooling of ordinand candidates costs	25	-	-	-	25
General Synod expenses	17	-	-	-	17
	681	-	-	-	681
Parish ministry					
Stipends & National Insurance	18	-	5,364	-	5,382
Pension contributions		-	1,232	-	1,232
Housing costs	56	-	1,888	1	1,945
Removal, resettlement and other grants		-	235	-	235
Other expenses	2	-	54	-	56
	76	-	8,773	1	8,850
Support for parish ministry	1,847	32	183	-	2,062
Whalley Abbey Conference House	259	-		-	259
Redundant churches		-	236	-	236
Strategic Development Funding Projects	19	-	1,118	-	1,137
St Philip's Centre Project	39	-	-	-	39
Grants to Parishes, Individuals and Other Charities	175	130	485	-	790
	2,339	162	2,022	-	4,523
Expenditure on education					
Grants for the work of the Board	324	-	-	-	324
	324	-	-	-	324
Charitable activities	3,420	162	10,795	1	14,378

40. Prior year comparative Analysis of expenditure including allocation of support costs

Company	Activities undertaken directly	Grant funding of Activities	Manage-ment Admin Support	Total 2023
	£000	£000	£000	£000
Cost of raising funds	389	-	58	447
Contributions to Archbishops' Council	17	664	-	681
Parish Ministry	8,615	230	-	8,845
Support for Parish Ministry	2,555	1,149	752	4,456
Education	-	324	-	324
Other	8	-	-	8
	11,584	2,367	810	14,761

Group	Activities undertaken directly	Grant funding of Activities	Manage-ment Admin Support	Total 2023
	£000	£000	£000	£000
Cost of raising funds	389	-	58	447
Contributions to Archbishops' Council	17	664	-	681
Parish Ministry	8,615	235	-	8,850
Support for Parish Ministry	2,555	1,216	752	4,523
Education	-	324	-	324
Other	8	-	-	8
	11,584	2,439	810	14,833

41. Prior year comparative Analysis of support costs – company and group

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£000	£000	£000	£000	£000
Raising Funds	50	-	8	-	58
Central Administration	560	-	-	-	560
Governance costs					
Secretariat	34	-	-	-	34
Accounting and Finance Office	38	-	-	-	38
Audit & accountancy fees	27	-	-	-	27
Diocesan Synod costs	8	-	-	-	8
DBF Directors and Bishop's Council Meetings	14	-	-	-	14
Chancellor and Registrar Fees	71	-	-	-	71
	802	-	8	-	810

42. Prior year comparative Net assets analysed by fund

Company	Tangible Fixed Assets	Fixed Asset Investment	Net Current Assets	Long term Creditor	Net assets as at 31 December 2023
	£000	£000	£000	£000	£000
General Fund	1,637	6,999	277	-	8,913
Designated Funds	-	503	2,164	-	2,667
Total Unrestricted Funds	1,637	7,502	2,441	-	11,580
Pastoral Account	8,168	-	2,947	(130)	10,985
Other Restricted Funds	-	21	711		732
Total Restricted Funds	8,168	21	3,658	(130)	11,717
Parsonage Houses Fund	29,457	1,147	-	-	30,604
Stipends Capital / Housing Fund	4,112	11,160	970	-	16,242
Other Endowment Funds	-	2,329	5	-	2,334
Total Endowment Funds	33,569	14,636	975	-	49,180
Total	**43,374**	**22,159**	**7,074**	**(130)**	**72,477**

Group	Tangible Fixed Assets	Fixed Asset Investment	Net Current Assets	Long term Creditor	Net assets as at 31 December 2023
	£000	£000	£000	£000	£000
General Fund	1,637	6,999	277	-	8,913
Designated Funds	-	503	2,164	-	2,667
Total Unrestricted Funds	1,637	7,502	2,441	-	11,580
Pastoral Account	8,168	-	2,947	(130)	10,985
Other Restricted Funds	-	266	1,085		1,351
Total Restricted Funds	8,168	266	4,032	(130)	12,336
Parsonage Houses Fund	29,457	1,147	-	-	30,604
Stipends Capital / Housing Fund	4,112	11,160	970	-	16,242
Other Endowment Funds	-	4,806	5	-	4,811
Total Endowment Funds	33,569	17,113	975	-	51,657
Total	**43,374**	**24,881**	**7,448**	**(130)**	**75,573**

43. Prior year comparative Unrestricted funds

	At 1 January 2023 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2023 £000
General Fund	8,520	9,337	(3,828)	473	(5,589)	8,913
Designated Funds						
Office Assets Fund	439	14	-	43	-	496
Parsonages Fund	323	-	-	-	(211)	112
Parish Vision 2026 Grant and Loan Fund	863	4	(54)	-	-	813
Diocesan Vision Strategic Development Fund	553	-	(76)	-	-	477
Diocesan Vision 2026 Fund	464	80	(32)	-	(163)	349
Allchurches Trust Grant Fund	238	-	-	-	-	238
Other Designated Funds	102	-	-	-	80	182
	2,982	98	(162)	43	(294)	2,667

44. Prior year comparative Restricted funds

	At 1 January 2023 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2023 £000
Diocesan Pastoral Account	11,701	1,534	(313)	-	(2,121)	10,801
Diocesan Stipends Fund Income Account	-	1,815	(8,744)	-	6,929	-
Social Responsibility Projects	69	1	-	-	-	70
Parish Vision 2026 Grant Fund	38	5	(44)	1	-	-
Bishops Ordination Fund	152	3	(11)	-	-	144
Resourcing Ministerial Education (RME) Fund	161	129	(136)	-	-	154
Bishop's Harvest Appeal	20	30	(27)		-	23
Bishop's Clergy in Need Fund	37	2	-	-	-	39
SDF Funded Projects	17	1,047	(1,114)		107	57
Lower Income Communities Funding	-	1,460	(304)	-	(1,156)	-
Parish Pastoral Fund	184	-	-	-	-	184
Other Restricted Funds	182	45	(66)	-	84	245
Subtotal Funds – Company	12,561	6,071	(10,759)	1	3,843	11,717
Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy	629	78	(72)	(16)	-	619
Total Funds - Group	13,190	6,149	(10,831)	(15)	3,843	12,336

45. Prior year comparative Endowment funds

	At 1 January 2023	Income	Expenditure	Gains and losses	Transfers	At 31 December 2023
	£000	£000	£000	£000	£000	£000
Diocesan Stipends Fund Capital Account	15,292	343	(18)	625	-	16,242
Parsonage Houses Fund	27,953	430	-	100	2,121	30,604
Other Permanent endowment						
Maintenance of the Ministry	314	-	-	30	-	344
General purposes	391	-	-	37	-	428
Whalley Abbey	171	-	-	16	-	187
Other endowments	84	-	6	-	(81)	9
Stipends	1,274	-	-	92	-	1,366
Subtotal Funds - Company	45,479	773	(12)	900	2,040	49,180
Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy	2,263	-	-	214	-	2,477
Total Funds - Group	47,742	773	(12)	1,114	2,040	51,657

THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

England & Wales - Charity number 247647

Accounts

VISION2026
HEALTHY CHURCHES TRANSFORMING COMMUNITIES

THE DIOCESE OF BLACKBURN
THE CHURCH OF ENGLAND IN LANCASHIRE

The Blackburn Diocesan Board of Finance Limited

Annual report and consolidated financial statements

Company limited by guarantee (no 225457)
Registered charity (no 247647)
Date: 31 December 2023

Contents

VISION STATEMENT **2**

LEGAL OBJECTS **3**

STRATEGIC REPORT **3**

STRATEGIC AIMS AND OBJECTIVES FOR THE YEAR *3*

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR *4*

FUTURE PLANS *8*

FINANCIAL REVIEW *10*

PRINCIPAL RISKS AND UNCERTAINTIES *12*

STRUCTURE, GOVERNANCE AND MANAGEMENT **13**

SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND *13*

ORGANISATIONAL STRUCTURE *14*

DIRECTORS' RESPONSIBILITIES **16**

STATEMENT OF DISCLOSURE TO THE AUDITORS *17*

APPOINTMENT OF AUDITOR *17*

ADMINISTRATIVE DETAILS **18**

ATTENDANCE OF DIRECTORS AT MEETINGS IN 2023 ..... *19*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED **20**

STATEMENT OF FINANCIAL ACTIVITIES **23**

INCOME AND EXPENDITURE ACCOUNT **25**

BALANCE SHEET **26**

CASH FLOW STATEMENT **27**

NOTES TO THE FINANCIAL STATEMENTS **28**

VISION STATEMENT

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026.
The Vision was launched in 2015 when the Diocese of Blackburn made a bold strategic decision to change and to grow through the priorities of: • Making Disciples for Jesus Christ • Being Witnesses for Jesus Christ • Growing Leaders for Jesus Christ • Prioritising Work Among Children, Young People and Schools.
Over the course of 2020 the Diocese engaged in a 'Vision Update' through which we sought to identify what is going well and where the challenges are as we seek to realise our Vision of seeing 'Healthy Churches Transforming Communities'.
Vision 2026 sets before the churches of Lancashire a profound belief in the power of the Gospel to transform lives and communities and expresses a firm commitment to maintaining clergy numbers and investing in the mission of the local church.

Our updated Vision 2026 building blocks are:-

Making disciples of Jesus Christ

- Knowing the Scriptures better and equipping confident Christian disciples
- Praying with greater depth and urgency for the Kingdom of God to come
- Offering worship in Spirit and truth through the ministry of word and sacrament
- Giving generously of our time, talents and money to the cause of Christ

Being witnesses to Jesus Christ

- Sharing the Gospel with confidence
- Enabling human flourishing through social action
- Planting or renewing 10 strategic church plants and 200 new congregations
- Caring for God's creation

Growing leaders for Jesus Christ

- Developing a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Discerning and forming theologically literate lay and ordained leaders, rooted in prayer and with a deep love of the Lord Jesus
- Nurturing healthy partnerships between clergy and laity by fully implementing the Lay Majority Ministry Framework
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

Inspiring children and young people

- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Holding regular worship that is accessible and appealing to children, young people and their families.
- Enabling growth in the numbers of leaders of children and young people
- Pursuing a step change in work with those aged 11-16
- Facilitating effective partnerships between churches and local schools

The Diocesan Vision Prayer

Heavenly Father, we embrace Your call for us to make disciples, to be witnesses, to grow leaders and to inspire children and young people. Give us eyes to see Your vision, ears to hear the prompting of Your Spirit and courage to follow in the footsteps of your Son, our Lord and Saviour Jesus Christ. Amen.

The Directors of the Blackburn Diocesan Board of Finance Limited (BDBF), who are the Trustees for the purpose of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2023.

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

This combined report satisfies the legal requirement for:
Directors' Report of a charitable company
Strategic Report under the Companies Act 2006 and
Trustees Annual Report under the Charities Act 2011

LEGAL OBJECTS

The BDBF's principal objective is to promote, assist and advance the work of the Church of England, primarily but not exclusively in the Diocese of Blackburn, by acting as the financial executive of the Blackburn Diocesan Synod.

The BDBF has the following statutory functions:

- The BDBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- The BDBF is custodian trustee in relation to PCC property.

STRATEGIC REPORT

STRATEGIC AIMS AND OBJECTIVES FOR THE YEAR

The main role of the BDBF is to identify and manage the financial aspect of the provision of the ministry within the Diocese, so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities in the Diocese.

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026. The Vision was launched in 2015 and updated in 2020.

The next phase of the implementation plan is available from our website at:
https://www.blackburn.anglican.org/vision-update.

The Directors are aware of the Charity Commission's published guidance on the public benefit requirement in general and, more particularly, in 'The Advancement of Religion for the Public Benefit' and have had regard to it in their administration of the BDBF.

The Directors believe that, by carrying out these objectives and in promoting the work of the Church of England in the Diocese of Blackburn, the BDBF helps 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 it provides 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, for the benefit of individuals and society as a whole.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Vision 2026 consists of the four major building blocks of the Vision and below are the activities planned against each and the outcomes achieved:

Making Disciples including:

- Further developing Whalley Abbey as a centre for Christian Discipleship and Prayer under the new director, Revd Anna Walker
- Developing Pathways to prayer events
- Enabling spiritual direction to be available to all, lay and ordained, across the diocese
- Production of diocesan seasonal daily devotional resources
- Developing and launching of 'Joyful, Generous Giving' – a Blackburn approach to Giving and Stewardship which saw Synod approve 10 key principles for Christian Giving

In relation to our main objectives of **Making Disciples** of Jesus Christ we:

- Produced Lent and Advent Devotionals with a 10,000 circulation of this high-quality resource.
- Hosted regular retreats & courses at Whalley Abbey including individual and guided retreats, walking, healing and quiet retreats as well as festival celebrations and supper clubs.
- Partnered with parishes and Mothers Union to run 'Pathways to Prayer' events with a view to develop the team to promote more events in the future.
- Hosted study mornings for Clergy and Licensed Lay Ministers, exploring what it means to worship in Spirit and in Truth
- Launched Joyful, Generous Giving, including developing a suite of stewardship resources in line with the Building a Generous Church strategy.
- Churches continue to adopt new ways of giving to secure their income and reduce the burden on treasurers.
- Take up by parishes of the Parish Giving Scheme continues to be encouraging. 37% of parishes had signed up by the end of 2023 towards the target of 50% of parishes signed up by the end of 2024. During 2023 regular donations received by parishes through the scheme exceeded £1m together with a further £233,000 as Gift Aid. 86% of all gifts processed through PGS were given under gift aid and 42% of donors had chosen to increase their gifts with inflation. The average weekly gift through PGS (excluding gift aid) was £16.71. One-off giving through PGS also grew. The received totalled almost £58,000 with an average donation value of £112.
- Donations through contactless and online giving have continued to grow with donations in 2023 of £413,600, placing us 7th nationally and 2nd in the Northern province. In early 2024 we anticipate an increase as churches take up the offer of subsidised devices.
- Preparing for the launch of a diocesan app to support parishes in the work of Discipleship.
- Spiritual direction proves to be an attractive avenue of discipleship, with 28 spiritual directors within the diocese and a training programme is in place to further develop these numbers.

Being Witnesses including:

- Internal and external investment to realise the vision of 10 Strategic Church Plants by 2026
- Coaching, networking and training as we press ahead to our goal of seeing 200 New Local Congregations by 2026
- Providing training and networks of support so that people are enabled to share their faith with confidence
- A suite of activities to enable human flourishing through social action

- Caring for God's creation with the aspiration to become an Eco-diocese in 2023

In relation to our main objectives of **Being Witnesses** to Jesus Christ:

- To realise our vision of 10 Strategic Church Plants, eight plants are now in place and are fruitfully building the Kingdom in their local areas. Further strategic church plants are being planned to fulfil our goal of ten by 2026.
- To fulfil our goal of 200 New Local Congregations, coaching, networking and training events including the Beacon Course have resulted in more New Local Congregations starting. To date, 220 new congregations or Fresh Expressions have been created since the launch of the Vision. The Choir Church project was launched enabling churches and schools to collaborate in order to plant churches.
- To enable people to share their faith with confidence, a parish mission team has been established, with clergy and lay members, to support parishes in leading mission weekends. In 2023, ten parish missions were held. Nine missions are planned for 2024 including one deanery-wide mission. Feedback from hosting churches, taking part in the missions, has been very positive. Many have spoken of their hesitations prior to the mission and, post-event, have been encouraged by the way God has answered prayers. Encouragement to pray for the building of the Kingdom together with training and network support has resulted in more nurture courses taking place across the diocese; at least 88 churches/benefices have offered courses. Opportunities to learn from Saints in the past through day retreats at Whalley Abbey are proving very popular; led by Fr Nicholas Heale and Bishop Jill the aim is to build giants of faith. Opportunities for sharing the gospel through sport continue in partnership with Ambassadors Football. A number of parishes are using sport as a tool for mission and wellbeing. An ALM module on Mission Outreach has been added to the curriculum.
- To enable human flourishing, healthy churches are living Kingdom values and providing rich treasures in numerous areas, across all age ranges, including: dementia support; debt counselling; addressing isolation; justice for those affected by human slavery; health, hospitality and wellbeing; healing; deliverance; job skills; housing; food banks; support for people on the margins; addictions, additional needs etc. Pendle Deanery recently completed a pilot project in collaboration with the Gather Movement to map the social action provision being made by churches which is then being used to connect individuals from faith groups with public sector colleagues.
- To promote caring for creation, Blackburn Diocese achieved bronze eco status. Clayton House and Bishop's House have achieved bronze awards. 44 parishes have registered with A Rocha UK; six churches have achieved bronze and three have silver awards. A baseline for carbon emissions in our diocese has been established with support and encouragement provided to parishes to complete the Energy Footprint Tool as well as becoming Eco-Churches. A net zero carbon working group is working across departments to achieve our net zero carbon goals. Carbon literacy training was provided for Clayton House staff members. An ALM course on environmental stewardship has been added to the suite of modules on offer. 53% of churches completed the Energy Footprint Tool in 2023. Broughton, St John and Christ Church Thornton le Fylde have been invited to take part in the Net Zero Carbon demonstrator Church grant programme which seeks to help churches get to carbon net zero

Growing Leaders including:

- Continued pursuit of the Lay Majority Ministry Framework
- Continued development of a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

In relation to our main objectives of **Growing Leaders** for Jesus Christ we:

- Continued the implementation of Lay Majority Ministry strategy
- The Authorised Lay Ministry (ALM) portfolio continue to offer training in ten ministry areas

- Commissioned 46 ALMs in September 2023, and 14 existing ALMs added an additional area of ministry to their authorisation with further training.
- Expanded the M:Power programme to offer training in 2022/23 to 35 people in five locations (Morecambe, Blackpool, Colne, Lower Darwen and Preston)
- Delivered three continuing ministerial education days for ALMs and LLMs, with additional training events offered for LLMs.
- Continued to develop the integrated 5-year start of ministry programme to support clergy from ordination through to the end of the second year of their first incumbency
- Successfully obtained national funding for five additional curacies and four additional posts of first responsibility

Inspiring Children and Young People including:

- Pursuing a step change in work with those aged 11-18 supported by a new Youth Resourcing Church and diocesan-wide new learning communities
- Facilitating effective partnerships between churches and local schools
- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Supporting the creation of new or renewed toddler groups that share the Gospel

In relation to our main objectives of **Inspiring Children and Young people for Jesus Christ we:**

Commissioned the Board of Education to enable development through:

- Sustaining a new Learning Community for Youth Provision building on the Launchpad sessions delivered through the SDF3 resourcing church at St Luke's, Blackburn
- Delivering training to children's and youth workers across the diocese linked to the ALM programme for growing leaders
- Creating high quality resources and training to equip churches to minister to the young
- Develop new curriculum resources and training programs to support high-quality RE and collective worship in church schools.
- Training and supporting schools and churches to live out Vision 2026 by transforming communities.
- Investing in addressing structural injustice through the Equity, Diversity and Justice programme
- Encourage greater engagement between church schools and local parishes to strengthen the connection between school and church communities.
- Collaborate with other diocesan departments to create more opportunities for young people to get involved in the life of the Church
- Develop a great number of events that children and young people can attend to support them being apart of a large family of worshippers.

Full details of the activities carried out are contained within Blackburn Diocesan Board of Education Trustee Report.

During 2023 the BDBF also:

- Carefully monitored spending and income for the diocese to ensure sustainability.
- Continued to encourage parishes struggling to meet their Parish Share requests to meet BDBF Directors, Archdeacons and BDBF Officers to discuss their challenges, constraints on their ability to contribute the Parish Share requested, and initiatives for ministry in a constructive and collaborative atmosphere. Where satisfied that there was a clear commitment by the parishes to strengthen their discipleship, stewardship and vision planning, and to meet an adjusted share

contribution request, Parish Share meetings were able to reduce Share requests for a number of parishes from the parish support fund.

- Worked with the Church Commissioners to construct an application to help provide additional resource to support the diocesan vision.
- Consulted with deaneries through the Missional and Financial Flourishing programme of meetings designed to ensure that this a good understanding of what will transform mission and ministry in each area.
- Supported parishes in their mission aspirations with grant funding from the Parish Vision Grant and Loan Fund.
- Continued the roll out of the extensive safeguarding training programme for clergy and parish officers.

The actions outlined above were enabled through a range of administrative and legal functions ensuring that the priorities identified within Vision 2026 were facilitated whilst maintaining good governance.

Personnel

The Directors are thankful for everyone who contributes to the life of the Diocese and to the parishes for their continuing financial support. The directors would like to express particular thanks to all the staff serving the BDBF, to our clergy for their leadership during 2023 and to the PCCs for their ongoing commitment this last year. The Directors are thankful to God, for those parishes that continued to contribute their parish share in 2023 despite difficult economic conditions.

Related parties

- General Synod, Church Commissioners, Archbishops' Council and Church of England Pensions Board

  The BDBF must comply with Measures passed by the General Synod of the Church of England. It pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod. The BDBF receives a grant from funds managed by the Church Commissioners. The BDBF pays for clergy stipends through the Church Commissioners. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners.

  The BDBF pays retirement contributions for stipendiary clergy and some employees to the Church of England Pensions Board.

- Parochial Church Councils (PCCs)

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

  PCCs can influence decision-making within the BDBF at Diocesan Synod level through representations to those bodies and through the input of Deanery Synods.

- Blackburn Cathedral.

  The Cathedral is a separate entity to the BDBF but is engaged in many shared missional aims and activities. The Cathedral is the seat of the Diocesan Bishop

- Blackburn Diocesan Board of Education

  The Board of Education is a registered charity, which has responsibility for 190 Church schools across the Diocese and is responsible for the largest number of voluntary aided schools in the country. It provides pastoral and professional support to all its schools and has particular commitment to enhancing the quality of provision for Religious Education, collective worship and the spiritual, moral, social, and cultural development of all pupils. The Board of Education also

supports parishes on children's work and youth work and has responsibility for chaplains in universities in the diocese.

- Church based Multi-Academy Trusts

  There are three trusts that serve the diocesan church schools. These are Cidari, Learning Together Trust and The Bay Learning Trust. Each trust has members taken from corporate offices of the Church of England within the Diocese of Blackburn.

FUTURE PLANS

We will continue to work on the implementation of Vision 2026 and seek to apply for further National Church funding to support the mission and ministry of the diocese. This will include monies to transform the diocese following the missional and financial flourishing process, monies to support curacies and other funds that might meet the missional goals of the BDBF.

We will continue to support each strand of Vision 2026.

Making Disciples of Jesus Christ

The Making Disciples team will help people to move on in their spiritual formation through:

- Knowing the scriptures better and equipping confident Christian disciples
- Praying with greater depth and urgency for the Kingdom of God to come
- Offering worship in Spirit and truth through the ministry of word and sacrament
- Giving generously of our time, talents and money to the cause of Christ

Being Witnesses to Jesus

The Being Witnesses team will encourage authentic witnesses in the following ways:

- Collaborating with other Vision strand teams to promote prayer for growth;
- Encouraging the ministry of the Parish Mission team and disseminating opportunities for mission across the diocese
- Planting 10 Strategic Church Plants by 2026
- Enabling new local congregations to grow to maturity
- Organise a Festival of Healing at Blackburn Cathedral
- Encourage partnership with public sector colleagues to enable human flourishing
- Encouraging more churches to care for creation and work towards Carbon Net Zero through support and projects offered by the Church of England, A Rocha UK and other agencies

Growing Leaders for Jesus Christ

The Growing Leaders Team is committed to facilitating the supply of an abundance of theologically literate lay and ordained leaders who, with a ministry rooted in prayer and a deep love of the Lord Jesus, can support the growth of healthy churches and transform communities. The team will do this by:

- Developing a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Discerning and forming theologically literate lay and ordained leaders, rooted in prayer and with a deep love of the Lord Jesus
- Nurturing healthy partnerships between clergy and laity by fully implementing the Lay Majority Ministry Framework
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

Inspiring Children and Young people for Jesus Christ

We support the Diocesan commitment to Inspiring Children and Young people for Jesus Christ continuing in partnership with the Blackburn Diocesan Board of Education.

The DBE will enable and support parishes to inspire children and young people by:

- Nurturing Children and Young People in their Faith and Supporting them as Disciples of Jesus Christ
- Holding Regular Worship that is Accessible and Appealing to Children, Young People and their Families
- Enabling Growth in the Numbers of Leaders of Children and Young People
- Pursuing a Step Change in work with those aged 11-16
- Facilitating Effective Partnerships between Churches and Local Schools-continuing to support church schools and academies in the diocese

Full details of the future activities are contained within the BDBE Trustees report.

Enablers

There is additional work completed by the central team on missional and financial flourishing. This focusses on work with deaneries to look for opportunities for growth and direct work with parishes through the Parish Renewal programme. The Parish Renewal programme engaged with 29 parishes in 2023, of which 17 were inducted onto the programme during the course of the year.

In addition to our general support for parishes

- We will continue to ensure the central management of cases and training in relation to safeguarding at parish and diocesan level.
- We will continue to support parishes through Treasurer, Church Warden and Clergy training events during the year.
- We will continue to support parishes to contribute their parish share and support those in difficulty.

POST BALANCE SHEET EVENTS

The Strategic Mission and Ministry Investment Board of National Church has backed plans for a £25.5 million investment a programme of renewal in the Diocese over nine years starting in 2024, with £12 million in the first phase (2024-2026/7) and £13.5 million (agreed in principle) for further stages of work and subject to evaluation of progress.

In August 2024 there was adverse publicity for an associated charity around a historic safeguarding issue previously reported to the charity commission. This has been reported again to the charity commission due to the risk of reputational harm from the publicity.

FINANCIAL REVIEW

Financial performance

The financial performance of the Charity in 2023 was considered satisfactory.

The operational deficit on the unrestricted funds was £0.438m and was met from free reserves.

	General	Designated	Total Unrestricted
	£'000	£'000	£'000
Total Income	9,337	98	9,435
Total Direct Expenditure	(3,828)	(162)	(3,990)
Net Income/ (Expenditure) before investments	**5,509**	**(64)**	**5,445**
Expenditure in / transfers to other funds from unrestricted fund	(5,589)	(294)	(5,883)
Operational Deficit	**(80)**	**(358)**	**(438)**

The operational deficit excludes the net movement on the group's restricted funds (£854,000), endowment funds (£3,915,000) and net gain on unrestricted investments (£516,000) included in the group net movement in funds £3,139,000.

Parish share, the money given by Parishes to the BDBF to fund the mission and ministry of the Diocese, was again the principal source of funding in 2023. This increased by £0.25m to £7.88m *(2022: £7.63m)*. The Directors thank parishes for their contributions during the year, and especially those parishes able to meet their share request in full and those that make their parish share payments by monthly instalments.

The provision for outstanding parish share at the year end is £7.55m *(2022: £7.42m)*.

Total income for the group (including parish share) before revaluation adjustments totalled £16.35m *(2022*: *£16.99m)*, a decrease of £0.64m. Included in the total income figure are gains on the disposal of fixed assets of £1.87m *(2022: £2.17m)*.

Expenditure for the group amounted to £14.83m *(2022: £15.06m)*, a decrease of £0.23m. Included in these figures are losses on disposal and impairment of fixed assets of £150,000 *(2022: £4,000).*

The group Statement of Financial Activities (SOFA) for the year shows net income of £1.52m *(2022: £1.94m*) before net gains and losses on the revaluation of investments. This is a decrease of 0.42m on the previous year.

After revaluation adjustments, the net movement in total funds amounted to an increase of £3.14m *(2022: decrease of £0.76m)*, which results in a total fund balance of £75.57m *(2022: £72.43m)*.

The net movement in unrestricted funds is an increase of £0.08m *(2022: a decrease of £0.81m)*, which results in a general fund balance of £8.91m *(2022: £8.52m)* and designated fund balance of £2.67m *(2022: £2.98m)*. The net movement in unrestricted funds is made up of the operational deficit £0.44m and net gain on unrestricted investments of £0.52m.

Balance Sheet Position

While the net assets on the group balance sheet total £75.57m (*2022: £72.43m*), included in this total are freehold land and buildings which are primarily used for ministry totalling £43.37m (*2022: £40.23m*). Much of the remainder is held in restricted or endowment funds. In 2023 the defined benefit pension deficit is zero (*2022: zero*).

Significant Property Transactions

During the year we purchased five future parsonages and five curate and associate vicar houses totalling £4.42m. Nine of the houses were purchased from the restricted pastoral fund for £4.07m and one from endowment funds for £0.34m. Sale proceeds were received for one vicarage and six curate houses total of £2.92m. The profit from the sales added £1.45m into restricted funds. One redundant church was marked for demolition, reducing its value in the accounts by £0.1m.

Investment Performance

The Charity does not receive its donations evenly throughout the year. Some donations or funding grants received are held for a period prior to them being required for expenditure. The charity utilises NatWest reserve accounts and CCLA for cash investments.

The Board requests a member of CCLA to annually attend a meeting of the Investment Committee to update them on the Board's investment position. The Investment Committee meets at least four times a year to review policy and performance. The Board invests in the CCLA Deposit, Investment and Property Funds which again performed satisfactorily over the year in the context of comparator benchmarks for the sector. In 2023 the capital value of our investments recovered by around 15% after a significant fall in 2022. However, this is still below the value of the investments at the end of 2021. The Board also manages glebe on behalf of the BDBF.

The total value of investments and deposits (excluding cash and investment property) at 31 December 2023 was £28.12m *(2022: £25.53m)* and the return on investment was 3.5% *(2022: 2.9%).* (Income divided by average capital value).

The total value of investment property at 31 December 2023 was £1.54m *(2022: £1.80m*) and the return on investment was 1.8% *(2022: 1.8%).* (Net rental income divided by average capital value).

Investment Policies

The BDBF's investment policies are based on two key policies:

Ethical investment – the BDBF seeks to pursue an investment policy consistent with the values of the Christian faith. This is achieved by investing in CCLA who follow the policies of the Church of England's Ethical Investment Advisory Group which are kept under review by the Investment Committee. For the past few years, the Diocesan investment partner has operated a policy of not investing in industries that are directly or indirectly drawing revenue from fossil fuel activity. This policy is already in place and will continue to be going forward as we seek to meet a 2030 target.

Long-term responsibilities – the Directors are aware of their long-term responsibilities in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Investment policy for long-term funds is aimed primarily at generating a sustainable income with due regard to the need for preservation of capital value and the possible need to realise investments to meet operational needs. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible towards clergy stipends on an ongoing basis. Unrestricted and restricted funds are invested to balance income, liquidity and the reimbursement of capital.

Environmental Impact

The diocese has begun work on reducing its carbon output with the aspiration to reach net carbon zero by 2030. In line with this aspiration, the DBF will report on its annual CO2 emissions and plans to reduce its carbon footprint. The emissions for 2023 based on energy bills were as follows:

	Gas (kwh)	Electric (kwh)	CO2 Emissions (Tonnes Per Year)
Clayton House energy consumption	80,787	74,585	37.2
Whalley Abbey energy consumption	297,341	60,002	76.9
St Philip's Centre	-	86,000	22.8

Strategies to reduce the carbon footprint:

- Delivering against the objectives on the Carbon Net Zero action plan approved by Synod
- Installation of LED lighting in Clayton House
- Reduction in face-to-face meetings in favour of digital solutions
- Car share for work related travel
- Heat Decarbonisation Plan completed

Reserves Policy

The Directors have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. The BDBF has considerable responsibilities, including the remuneration and housing of, on average, 185 parochial stipendiary clergy and is reliant on the contributions from the parishes of the Diocese. The BDBF aims to maintain a level of free reserves for income risk of 4% of three years forecast budgeted parish share, DBF fees and rental income and at least three months' Parish Share budgeted expenditure as working capital. This will be held within the unrestricted funds (excluding fixed assets and clergy pension deficit). This is considered sufficient to cover short-term cash outflows, cushion non-receipt of Parish Share and any reduction of income from DBF Fees and rental income. The level of free reserves required for this policy is £5.4m.

This policy is reviewed annually considering the future and risks of the BDBF in its setting.

The level of free reserves at 31 December 2023 was £7.3m this is in excess of the policy by £1.9m. This excess will to be used to fund the budgeted deficits for 2024 and 2025. In addition to this the charity has successfully bid for strategic mission and ministry investment funding from National Church in 2024. The Directors are confident in the steps taken to ensure the future going concern of the organisation.

There are several designated funds totalling £2.67m and the material ones are listed in note 24 on page 47. These funds are, in the main, held to fund future opportunities for the BDBF. They are reviewed regularly for appropriateness and levels.

The BDBF also administers a number of restricted and endowment funds that are held in specific trusts under charity law and are not available for general purposes. As at 31 December 2023 charity's restricted funds totalled £11.72m and endowment funds totalled £49.18m. The group's restricted funds totalled £12.34m and endowment funds totalled £51.66m. A description of each reserve, together with the intended use of the fund is set out in notes 25 and 26 of the financial statements on pages 48 to 50.

Grant making policy

Grants are made to the National Church to cover a proportion of its central costs and the cost of training for ministry (see note 10 to the financial statements). Grants are paid to other connected charities and to other charitable projects which appear to the Board to support the furtherance of the BDBF's objectives (see note 16 to the financial statements).

Fundraising

Most of the funds raised by the BDBF are from other charities. We provide support and advice to parishes with their fundraising and raise some funds for other charities as part of the Bishop's Harvest appeal or from the congregation at Visitations. At Ordination services funds raised for the BDBF are restricted to support those undergoing ordination training. We encourage online giving by the use of give.net. There is minimal fundraising from the public by the BDBF and this is normally at church services, not by direct marketing or using external fundraisers. We have not received any complaints from the public in relation to our fundraising activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors of the charitable company have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the directors
- regular consideration of financial results and cash flows
- regular review of internal controls
- delegation of authority and segregation of duties
- regular review and update of risk assessments
- scheme of delegation

The Directors have a programme of risk management to assess and document business risks and implement risk management strategies. This involves assessing the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process draws on ongoing consideration of business risk, which already forms a significant aspect of the Directors' duties, scrutiny by the Audit, Risk and Governance Committee

(ARG) and of the annual meeting with the Auditors, to discuss financial and internal control issues. There is no internal audit function as it is not considered an efficient use of the resources of the charity. The risk register has been fully restructured to ensure better monitoring of risk and cascaded responsibility for risk management by department. The risk register continues to be reviewed on a six-monthly basis by the ARG and material changes notified to the directors.

Key Risks

The key risks, which may impact on the charitable company, include:

1. Parish Share receipts fail to increase in line with medium term budgetary projections – the risk is that the BDBF is unable to meet its objectives due to financial constraints. This may be exacerbated by the ongoing debates around Living in Love and Faith and the threat of parishes withholding parish share in consequence.

   Existing pressures are:

   - energy costs and capital repair costs for parishes
   - inflationary costs causing rises to share
   - levels of giving

   Existing Controls

   - regular monitoring and meetings with those parishes who need help to meeting their share
   - provision for the shortfall built into the budget
   - the use of the Parish Renewal Programme to revitalise ministry, mission and giving
   - resources on generosity, gift and grace for parishes to talk about giving
   - free reserves policy

2. A continuing reduction in regular weekly attendance – the risk is that parishes will become increasingly unable to pay parish share due to a reduced number of parishioners contributing to their finances; the BDBF is therefore unable to meet its objectives due to financial constraints.

Controls:

- A key aim of Vision 2026 is to grow the number of people regularly attending their parish church.
- Application for funding to plants and grow
- Planting strategy and encouragement of new local congregations

RWA has stabilised more in 2023

3. Insufficient care for those who are survivors of abuse or those under investigation leading to self-harm.

Controls:

- Survivor consultation groups
- use of support volunteers
- opportunities for apology and redress

STRUCTURE, GOVERNANCE AND MANAGEMENT

SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND

The Church of England is the established church with HM The King as the Supreme Governor.

It is organised into two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that geographical area.

A diocese is divided into archdeaconries, deaneries, benefices and parishes. Benefices may comprise single or multiple parishes and are overseen by a parish priest (usually called a vicar, rector or priest-in-charge). The parish priests are responsible for the 'cure of souls' in their parish.

The Church of England is governed nationally by General Synod as its legislative and deliberative body. It comprises ex-officio and elected representatives from each diocese, and it agrees and lays before Parliament measures for the governance of the church's affairs, which, if enacted by Parliament, have the force of statute law. Blackburn Diocese currently has 5 elected clergy members and 6 elected lay members of General Synod. They were elected in 2021 for a period of five years.

In addition to the General Synod, the Archbishops' Council has a coordinating role for the work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and some lay workers.

Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that leadership as Bishop in the Diocesan Synod which is the statutory governing body of the Diocese.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

The Diocese of Blackburn was created in 1926. It has an area of 988 square miles and encompasses Lancashire with a few parishes in Wigan Metropolitan Borough. The overall population is approximately 1.3 million within urban and rural areas.

The Diocese of Blackburn has two archdeaconries (Blackburn and Lancaster), each the responsibility of an archdeacon. Each archdeaconry has seven deaneries with a number of benefices/parishes grouped geographically. An area dean has oversight of the deanery and each deanery has its own synod. Within each parish there is a body called the parochial church council which is made up of parish priest as chair, the churchwardens, curate and Licensed Lay Ministers if applicable, and a number of elected members. Each parochial church council is a separate charity.

The Cathedral is the mother church of the Diocese, an ecclesiastical corporation until it is certified by the Church Commissioners under the Cathedrals Measure 2021 as a charity. The Cathedral is separate from the BDBF. Copies of its trustees' report and financial statements may be obtained from the Cathedral Offices, Cathedral Close, Blackburn BB1 5AA.

ORGANISATIONAL STRUCTURE

The BDBF was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 29 October 1927 as a charitable company limited by membership guarantees (No 225457) and its governing documents are the Memorandum and Articles of Association. The BDBF is registered with the Charity Commission (No 247647). The Charity is a limited by guarantee company and statutory accounts are filed annually with Companies House and Charity Commission.

The members of the company comprise the Diocesan Bishop, each member for the time being of the Blackburn Diocesan Synod, including sufficient co-opted lay members in order to ensure that there is a majority by one of lay membership. Many of Diocesan Synod's responsibilities have been delegated to the Bishop's Council and standing committee.

The members of Bishop's Council are the Board of Trustees for the charity and in company law the Directors.

The Directors comprise six ex-officio members: the Diocesan Bishop, the Suffragan Bishops, the two Archdeacons, the Dean of Blackburn Cathedral. Four ex-officio elected positions: the Chairs and Vice Chairs of the Houses of Clergy and Laity of Diocesan Synod. Three ex-officio appointed positions: the Chair and Vice Chair of the Board of Finance and the Chair of the Property Committee. The elected members are 4 clergy, 2 from each archdeaconry, elected by the House of Clergy and 8 lay members, 4 from each archdeaconry, elected by the House of Laity. Two members may be co-opted with the approval of the directors. Elections take place every three years with the last election being in 2021 for the triennium starting 1 January 2022.

Governance and policy of the BDBF is the responsibility of the directors.

Corporate priorities and the overall financial strategy for the BDBF, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Blackburn, are agreed by the Directors and confirmed by Diocesan Synod.

The responsibility for ensuring that these priorities and strategies are delivered, is delegated to the Vision Area Leaders.

The members of the company meet once a year in the general meeting to receive the annual report and financial statements. The Diocesan Synod each year receives and agrees the parish share budget, prepared and approved by the Directors. The Directors meet during the year to formulate and coordinate policies on mission, ministry and finance.

Some role names in the company incorporate the title 'Director' but, for the purposes of company law, are not directors of the company.

Diocesan Synod has delegated the following functions to the Directors of the BDBF:

- transacting the business of the Diocesan Synod when not in session
- management of the funds and property of the Diocese
- preparation of the annual Parish Share Budget
- 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; and
- carrying out any other functions delegated by Diocesan Synod.

Statutory ecclesiastical boards and committees:

The Diocesan Mission and Pastoral Committee is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It is also responsible for finding appropriate alternative uses for churches which are closed for public worship.

The Diocesan Advisory Committee advises on matters affecting parishes including churches and places of worship on matters such as 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.

The Parsonages Board: the BDBF is designated as the Parsonages Board for the Diocese for the purpose of exercising the Parsonages Board's functions under the Repair of Benefice Buildings Measure 1972.

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

Non-statutory committees:

The Strategic Programme Board is responsible for the oversight of each of the Strategic Development Fund project boards. These project boards are accountable for the spend of church commissioner grant funding and diocesan funds on project activities and the impact of these projects in line with the aims and objectives. The programme board scrutinises the work of the project boards in line with the overall objectives of the diocese and diocesan vision.

Diocesan Safeguarding Advisory Panel has a Chair independent of the Directors and is an advisory body offering external oversight and scrutiny to the diocese with regard to safeguarding.

The Finance Committee is responsible for the transaction of some of the business of the BDBF. Within delegated limits it can approve grants and other support and makes recommendations to the Directors in other cases. The membership of the Committee consists of the Chair and Vice Chair of the Board of Finance, the Diocesan Bishop the two Archdeacons and the Chair of the Property Committee. The BDBF Directors can co-opt up to six members on the basis of their expertise, of whom a minimum of 3 must be members of Bishop's Council and Directors of the BDBF.

The Property Committee is responsible for making major decisions concerning the management of parsonage and other houses owned by the BDBF, including setting the policy for their purchase, sale, repair and maintenance. The committee has delegated authority to authorise repairs within an agreed budget and to buy and sell property and land vested in the Board of Finance for diocesan purposes.

The Investment Committee meets on a regular basis to consider diocesan investments, to adjust the portfolio within parameters agreed by the Directors and to make recommendations to the Directors. It is also responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Blackburn Diocesan Stipends Fund.

The Audit, Governance and Risk Committee has a Chair independent of the Directors and is responsible for assisting the Directors in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

The HR Committee deals with sensitive and other matters in relation to employed staff which cannot be considered by the full Board, partly because of their confidential nature and partly because of time pressures and includes two directors (one lay and one clergy) and four members co-opted for their HR expertise. It has delegated authority to approve most HR policies.

The Budget Scrutiny Committee assists the Bishop's Budget team in drawing up the annual draft budgets for approval by the Directors prior to submission to Diocesan Synod.

Directors' induction

Directors are given an induction file when first appointed. Explanations are given in Directors' meetings to provide continuing training and Directors are encouraged to ask questions in order to develop their understanding of the charity. If additional information is required, it is brought to the attention of directors and the directors' induction file updated accordingly. Directors undertake training at the start of each triennium.

Remuneration of key management personnel

The salary scale of the Diocesan Secretary is determined by the Chair of the BDBF and the Diocesan Bishop following advice from the HR Committee. Any annual award is in line with the other employed staff salary increase.

The salary levels of other key management personnel and all further posts are set by a job evaluation system. Annual pay increases are considered and approved as part of the budgeting process. They are considered by the HR Committee prior to implementation. An adjustment, if required would be recommended to the Board of Finance.

Funds held as custodian trustee

The BDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the BDBF does not control them and these assets are held separately to those of the BDBF.

PCC trust investment assets held by the BDBF had a market value of £16.26m at 31 December 2023 (*2022: £15.42m*) Detailed certificates of holdings were sent to parishes (c. 1,500 accounts) and other managing trustees of the respective charities as requested at that date. Details of these investments are summarised in note 30.

DIRECTORS' RESPONSIBILITIES

The Directors, who are also the Trustees, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations**.**

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the BDBF and of the surplus or deficit of the BDBF for that period. In preparing these financial statements the Directors 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 Directors are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the BDBF and enable them to ensure that the financial statements comply with the Companies Act 2011. They are also responsible for safeguarding the assets of the BDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the BDBF's website. Legislation in England/Wales governing the preparation and dissemination of 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 Directors are aware:

a. there is no relevant audit information of which the charitable company's auditors are unaware and

b. we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of than information.

APPOINTMENT OF AUDITOR

The appointment of auditors to the BDBF will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

Registered Address	Diocesan Offices, Clayton House, Walker Office Park, Blackburn BB1 2QE	

Trustees/Directors

Ex-Officio	Rt Revd P J North Rt Revd J L C Duff Very Revd P Howell-Jones Ven M C Ireland Ven D Picken	
Ex-Officio elected position	Mr R J Collins Mr T D Cox Revd P A Lillicrap Revd Munawar Din	 (resigned 25 July 2024)
Ex-Officio appointed	Mr D Barlow Mr N P Aves Revd D Porter	 (appointed 27 September 2023)
Elected Clergy	Revd Dr R B Aechtner Revd Canon Dr S Cox Revd Canon A Holliday Revd Canon A S Horsfall	(resigned 10 August 2024)
Elected Lay Persons	Dr A Carter Prof R Carter Mr M Gardner Mr P J Ronson Ms J M Stamper Mr D J Wilkinson Mrs A Wynne	

Appointed after the year end but before signing the accounts

	Rt Rev J Kennedy	(appointed 19 July 2024)

Key management personnel and advisers

Diocesan Secretary	Canon S Whittaker
Deputy Diocesan Secretaries	Mrs R McGaughey, Mrs C Barton
Head of Finance, Company Secretary	Mrs R McGaughey
Solicitors	Anthony Collins, 134 Edmund Street, Birmingham B3 2ES
Insurers	Ecclesiastical Insurance Office, Beaufort House, Brunswick Road, Gloucester GL1 1JZ
Bankers	National Westminster Bank, 35 King William St, Blackburn BB1 7DJ
Investment Asset Managers	CCLA Investment Management Ltd, 1 Angel Ln, London EC4R 3AB
Registered Auditor	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Glebe and Land Agent	Ingham & Yorke, Huntroyde Estate Office, Padiham, BB12 7QX

ATTENDANCE OF DIRECTORS AT MEETINGS IN 2023

		Total
Ex-Officio	Rt Revd P J North	6/6
	Rt Revd J L C Duff	4/6
	Very Revd P Howell-Jones	3/6
	Ven M C Ireland	5/6
	Ven D Picken	5/6
Ex-Officio elected position	Mr R J Collins	6/6
	Mr T D Cox	4/6
	Revd P A Lillicrap	4/6
	Revd Munawar Din	3/6
Ex-Officio appointed	Mr D Barlow	6/6
	Mr N P Aves	6/6
	Revd D Porter	1/1
Elected Clergy	Revd Dr R B Aechtner	5/6
	Revd Canon Dr S Cox	5/6
	Revd Canon A Holliday	5/6
	Revd Canon A S Horsfall	6/6
Elected Lay Persons	Dr A Carter	3/6
	Prof R Carter	4/6
	Mr M Gardner	3/6
	Mr P J Ronson	5/6
	Ms J M Stamper	6/6
	Mr D J Wilkinson	6/6
	Mrs A Wynne	4/6

By order of the Board approving both the Directors' Report and Strategic Report

Mr D Barlow
Chair of the Board of Finance

Mr N P Aves
Vice-chair of the Board of Finance

14 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

Opinion

We have audited the financial statements of The Blackburn Diocesan Board of Finance Limited for the year ended 31 December 2023 which comprise the Statement of Financial Activities - Company, Statement of Financial Activities - Group the Income and Expenditure Account, the Consolidated Balance Sheet, 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's and of the parent charitable company's affairs as at 31 December 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 group and the parent 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

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's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and concluded that the risk was low. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

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

Use of our report

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

Adam Halsey
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 30 September 2024

10 Queen Street Place
London EC4R 1AG

STATEMENT OF FINANCIAL ACTIVITIES - Company

for the year ended 31 December 2023

	Note	Unrestricted funds: General £000	Unrestricted funds: Desig-nated £000	Restricted funds £000	Endowment funds £000	Total funds 2023 £000	Total funds 2022 £000
Income and endowments from:							
Donations and legacies							
Parish contributions		**7,877**	**-**	**-**	**-**	**7,877**	7,626
Archbishops' Council and Church commissioners	*2*	**425**	**-**	**3,377**	**-**	**3,802**	4,879
Other	*3*	**100**	**84**	**111**	**430**	**725**	358
Charitable activities: statutory fees, chaplaincy and other income	*4*	**195**	**-**	**471**	**-**	**666**	724
Other trading activities	*5*	**287**	**-**	**135**	**-**	**422**	437
Investments	*6*	**451**	**14**	**453**	**-**	**918**	725
Other	*7*	**2**	**-**	**1,524**	**343**	**1,869**	2,165
Total Income and endowments		**9,337**	**98**	**6,071**	**773**	**16,279**	16,914
Expenditure on:							
Raising funds	*8*	**408**	**-**	**36**	**3**	**447**	319
Charitable activities	*9*	**3,420**	**162**	**10,723**	**1**	**14,306**	14,643
Other		**-**	**-**	**-**	**8**	**8**	4
Total Expenditure	*10*	**3,828**	**162**	**10,759**	**12**	**14,761**	14,966
Net income/(expenditure) before investments		**5,509**	**(64)**	**(4,688)**	**761**	**1,518**	1,948
Net gains/(loss) on investments	*18*	**473**	**43**	**2**	**900**	**1,418**	(2,536)
Net income/(expenditure) before transfers		**5,982**	**(21)**	**(4,686)**	**1,661**	**2,936**	(588)
Transfers between funds	*12*	**(5,589)**	**(294)**	**3,843**	**2,040**	**-**	-
Net income/(expenditure) before other recognised gains and losses		**393**	**(315)**	**(843)**	**3,701**	**2,936**	(588)
Other recognised gains/(losses)							
Gain/(loss) on defined benefit pension schemes		**-**	**-**	**-**	**-**	**-**	179
Net movement in funds		**393**	**(315)**	**(843)**	**3,701**	**2,936**	(409)
Reconciliation of funds							
Total funds at 1 January 2023		**8,520**	**2,982**	**12,560**	**45,479**	**69,541**	69,950
Total funds at 31 December 2023		**8,913**	**2,667**	**11,717**	**49,180**	**72,477**	69,541

All activities derive from continuing activities. The notes on pages 28 to 59 form part of the financial statements.

Details of group comparative figures (2022) for the Statement of Financial Activities by fund are disclosed in note 31.

STATEMENT OF FINANCIAL ACTIVITIES - Group

for the year ended 31 December 2023

	Note	Unrestricted funds: General £000	Unrestricted funds: Desig-nated £000	Restricted funds £000	Endowment funds £000	Total funds 2023 £000	Total funds 2022 £000
Income and endowments from:							
Donations and legacies							
Parish contributions		**7,877**	**-**	**-**	**-**	**7,877**	7,626
Archbishops' Council and Church commissioners	*2*	**425**	**-**	**3,377**	**-**	**3,802**	4,879
Other	*3*	**100**	**84**	**111**	**430**	**725**	358
Charitable activities: statutory fees, chaplaincy and other income	*4*	**195**	**-**	**471**	**-**	**666**	724
Other trading activities	*5*	**287**	**-**	**135**	**-**	**422**	437
Investments	*6*	**451**	**14**	**531**	**-**	**996**	803
Other	*7*	**2**	**-**	**1,524**	**343**	**1,869**	2,165
Total Income and endowments		**9,337**	**98**	**6,149**	**773**	**16,357**	16,992
Expenditure on:							
Raising funds	*8*	**408**	**-**	**35**	**3**	**446**	319
Charitable activities	*9*	**3,420**	**162**	**10,796**	**1**	**14,379**	14,733
Other		**-**	**-**	**-**	**8**	**8**	4
Total Expenditure	*10*	**3,828**	**162**	**10,831**	**12**	**14,833**	15,056
Net income/(expenditure) before investments		**5,509**	**(64)**	**(4,682)**	**761**	**1,524**	1,936
Net gains/(loss) on investments	*18*	**473**	**43**	**(15)**	**1,114**	**1,615**	(2,870)
Net income/(expenditure) before transfers		**5,982**	**(21)**	**(4,697)**	**1,875**	**3,139**	(934)
Transfers between funds	*12*	**(5,589)**	**(294)**	**3,843**	**2,040**	**-**	-
Net income/(expenditure) before other recognised gains and losses		**393**	**(315)**	**(854)**	**3,915**	**3,139**	(934)
Other recognised gains/(losses)							
Gain/(loss) on defined benefit pension schemes		**-**	**-**	**-**	**-**	**-**	179
Net movement in funds		**393**	**(315)**	**(854)**	**3,915**	**3,139**	(755)
Reconciliation of funds							
Total funds at 1 January 2023		**8,520**	**2,982**	**13,190**	**47,742**	**72,434**	73,189
Total funds at 31 December 2023		**8,913**	**2,667**	**12,336**	**51,657**	**75,573**	72,434

All activities derive from continuing activities. The notes on pages 28 to 59 form part of the financial statements.

Details of group comparative figures (2022) for the Statement of Financial Activities by fund are disclosed in note 31.

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2023

	2023	**2023**	2022	2022
	£000	**£000**	£000	£000
	Company	**Group**	Company	Group
Total income	**15,506**	**15,584**	16,657	16,735
Total expenditure	**(14,749)**	**(14,821)**	(14,962)	(15,052)
Operating surplus/(deficit) for the year	**757**	**763**	1,695	1,683
Net (losses)/gains on investments	**518**	**501**	(926)	(961)
Net income for the year	**1,275**	**1,264**	769	722
Other comprehensive income:				
Net assets transferred (to)/from endowments	**(2,040)**	**(2,040)**	496	496
Actuarial gains/(losses) on defined benefit pension schemes	**-**	**-**	179	179
Total comprehensive income	**(765)**	**(776)**	1,444	1,397

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

BALANCE SHEET

at 31 December 2023

	Note	2023		2022	
		£000 Company	£000 Group	£000 Company	£000 Group
Fixed Assets					
Tangible Assets	17	**43,374**	**43,374**	40,225	40,225
Investments	18	**20,622**	**23,344**	19,290	21,814
Investment Property	18	**1,537**	**1,537**	1,799	1,799
		65,533	**68,255**	61,314	63,838
Current assets					
Stocks		**1**	**1**	1	1
Debtors	19	**2,088**	**2,107**	2,207	2,225
Deposits and Cash at bank and in hand		**5,775**	**6,133**	7,705	8,055
		7,864	**8,241**	9,913	10,281
Creditors: amounts falling due within one year	20	**(790)**	**(793)**	(1,528)	(1,528)
Net current assets		**7,074**	**7,448**	8,385	8,753
Creditors: amounts falling due after more than one year	20	**(130)**	**(130)**	(157)	(157)
		(130)	**(130)**	(157)	(157)
Net Assets	23	**72,477**	**75,573**	69,542	72,434
Capital and Reserves					
Endowment funds	26	**49,180**	**51,657**	45,479	47,742
Restricted funds	25	**11,717**	**12,336**	12,561	13,190
Unrestricted funds - General	24	**8,913**	**8,913**	8,520	8,520
Unrestricted funds - Designated	24	**2,667**	**2,667**	2,982	2,982
		72,477	**75,573**	69,542	72,434

The notes on pages 28 to 59 form part of the financial statements.

These financial statements were approved by the Directors and were signed on their behalf on 14 September 2024 by:

Mr D Barlow
Chair of the Board of Finance

Mr N P Aves
Vice-chair of the Board of Finance

The Blackburn Diocesan Board of Finance Ltd is a company limited by guarantee registered in England and Wales (no. 225457)

CASH FLOW STATEMENT

for the year ended 31 December 2023

	2023 £000 Company	2023 £000 Group	2022 £000 Company	2022 £000 Group
Net income before other recognised gains and losses	**1,518**	**1,524**	1,948	1,936
(Gains)/Losses on disposal of fixed assets	**(1,791)**	**(1,791)**	(2,165)	(2,165)
(Gains)/Losses on disposal of investments	**8**	**8**	3	3
Depreciation	**126**	**126**	57	57
(Increase)/decrease in debtors	**(276)**	**(277)**	(617)	(636)
(Decrease)/increase in creditors current liabilities	**(267)**	**(264)**	210	210
Movement in pension commitment	**-**	**-**	(204)	(204)
Cash (outflow)/ inflow from operating activities	**(682)**	**(674)**	(768)	(799)
Net income from investing activities				
Purchase of tangible fixed assets	**(4,432)**	**(4,432)**	(1,504)	(1,504)
Proceeds of sale of fixed assets	**2,921**	**2,921**	3,660	3,660
Purchase of investments	**(13)**	**(13)**	(15)	(15)
Proceeds of sale of investments	**353**	**353**	82	82
Net cash inflow/(outflow) from investing activities	**(1,171)**	**(1,171)**	2,223	2,223
Net cash inflow/(outflow) from financing activities				
Repayments of borrowing	**(418)**	**(418)**	-	-
Loan repayments received	**440**	**440**	430	430
New loans made	**(99)**	**(99)**	(1)	(1)
Net cash inflow/(outflow) from financing activities	**(77)**	**(77)**	429	429
(Decrease)/increase in cash in the year	**(1,930)**	**(1,922)**	1,884	1,853
Cash and cash equivalents at the beginning of the year	**7,705**	**8,055**	5,821	6,202
Cash and cash equivalents at the end of the year	**5,775**	**6,133**	7,705	8,055

Analysis of cash and cash equivalents

	2023 £000 Company	2023 £000 Group	2022 £000 Company	2022 £000 Group
Cash in hand and at bank	**987**	**1,345**	4,337	4,337
Short term deposits	**4,788**	**4,788**	3,368	3,718
	5,775	**6,133**	7,705	8,055

The notes on pages 28 to 59 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities SORP (Second Edition, effective 1 January 2019) and applicable accounting standards FRS102, and under the historical cost convention adjusted for the revaluation of certain fixed assets.

The consolidated financial statements incorporate those of the Blackburn Diocesan Board of Finance Ltd and its subsidiary undertaking The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy for the year ended 31 December 2023. Details of the individual subsidiary results are given in note 28.

The Directors are satisfied that there are no material uncertainties about the charitable company's ability to continue in operational existence for the foreseeable future. The Trustees believe they have sufficient reserves to allow time to adjust the operations of the charitable company to meet changed circumstances relating to inflation and energy costs. Accordingly, they continue to adopt the going concern basis in preparing the Trustees' annual report and financial statements.

The Directors believe that the charitable company is a public benefit entity.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, 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 reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and the assumptions used in determining the value of the pension scheme deficit.

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

Fixed assets and depreciation

Assets with a value in excess of £500 are capitalised. Depreciation is provided for on the jointly owned Diocesan Offices and Whalley Abbey Retreat and Conference House. No other depreciation is provided on the charitable company's freehold buildings including parsonage houses (explanation regarding parsonage houses is included in note 17) as the depreciation charge is immaterial. Freehold land is not depreciated.

As it is the charitable company's policy to maintain houses to a high standard, in accordance with a planned approach to repair and maintenance, such properties maintain residual disposal values in aggregate at least equal to their book values.

The charitable company will perform annual impairment testing of assets on which depreciation is not provided to determine whether residual values of housing properties in aggregate continue to exceed carrying value.

The Company holds all Heritage assets at an accurate valuation wherever possible. Where not possible they are held at depreciated value.

Depreciation is provided to write off the cost less the estimated residual value of other tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold property	30 years or, if shorter, the remainder of the lease term
Diocesan Offices	50 years on property
	20 years on remodelling
Whalley Abbey Retreat and Conference House	15 years to a residual value of £500,000
Fixtures, fittings and office equipment	4-10 years
Heritage asset	15 years

Fixed asset investments

Fixed asset investments are stated at market value at the balance sheet date. Movements in market value arising during the year are shown as unrealised gains or losses on fixed asset investments in the Statement of Financial Activities.

Investment properties

Investment properties are included at their fair value.

Glebe land is recognised as held for investment purposes when it is held to rent out or there is a signed developers agreement.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Income

Parish contributions

Income includes amounts received from Parochial Church Councils in respect of parish share for general, stipends fund and parsonage house fund assessments. Parish share is recognised in the accounts when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

Income from Archbishops' Council and Church Commissioners

Money from National Church Institutions is recognised when entitlement is probable.

Other donations, grants, legacies and similar income

Grants and donations receivable towards the cost of additions or improvements to freehold buildings are credited to income in the period to which they relate. Other grants are recorded as income when entitlement is probable. Other donations are recorded as income when received.

Other trading activities

The income from these sources is recognised on an accruals basis

Investment income

Investment income is recognised on an accruals basis.

Expenditure

Expenditure has been charged to the Statement of Financial Activities on an accruals basis. Expenditure relating directly to the objectives of the charity is shown as direct charitable expenditure.

Grants payable

Grants payable are debited to expenditure when the charitable company has a constructive obligation to pay.

Ministry in Parishes

Ministry in Parishes includes the stipends, NI, pensions, housing costs and any direct expenses paid by the charitable company for ministers located in parishes.

Ministry Support

Ministry Support includes the costs of the charitable company that provide either a direct service to the parishes or to the community of the parish. It also includes the National Training costs paid to National Church for the training of Ordinands and the costs of Whalley Abbey the retreat house of the Diocese.

Support and Governance Costs

Governance costs includes audit fee, trustee meeting expenses, Diocesan Synod expenses, Bishop's Council expenses and an allocation of costs based on estimated time spent preparing statutory information and for governance/ strategic issues, by the Finance Team, Diocesan Secretary and Support Services Team.

Support includes the costs of the finance team and general management not included under Governance costs. Support costs have been allocated based on an estimate of time spent in each area.

Taxation

The Blackburn Diocesan Board of Finance Limited (by guarantee) is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in independently administered funds. The amount charged in the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

The charitable company also participates in the Church Workers Pension Fund and the Church of England Funded Pension Scheme (see note 15). The assets of the defined benefit pension schemes are held separately from the charitable company in independently administered funds. The pension costs charged as expenditure represent the BDBF's contributions paid in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which the BDBF participates is accrued at current value.

Fund accounting

Funds held by the charitable company are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Unrestricted designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds - this is capital, held in perpetuity to create income for specified purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

2. Archbishops' Council and Church Commissioners - company & group

	Unrestricted fund		Restricted	Endowment	Total funds	Total funds
	General	Designated	funds	Funds	2023	2022
	£000	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,460	-	1,460	1,402
Energy Costs Grant	-	-	-	-	-	431
Resourcing Ministerial Education/Funding	6	-	128	-	134	221
Strategic Ministry Fund	-	-	735	-	735	379
Strategic Capacity Funding	419	-	34	-	453	271
Strategic Development Funding	-	-	1,005	-	1,005	2,103
Clergy hardship grant	-	-		-	-	72
Net Zero Funding	-	-	15	-	15	-
	425	-	3,377	-	3,802	4,879

3. Other donations - company & group

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2023	2022
	£000	£000	£000	£000	£000	£000
Benefact Trust	44	80	(7)	-	117	165
Donations	12	4	54	430	500	65
Other Grants	44	-	64	-	108	118
Legacies	-	-	-	-	-	10
	100	84	111	430	725	358

4. Charitable activities - company & group

	Unrestricted Funds		Restricted	Endowment	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2023**	2022
	£000	**£000**	**£000**	**£000**	**£000**	£000
Statutory fees; chaplaincy income	**-**	**-**	**438**	**-**	**438**	494
Church Commissioners - Guaranteed annuities	**-**	**-**	**1**	**-**	**1**	1
Recharge of staff costs	**23**	**-**	**32**	**-**	**55**	39
Whalley Abbey Conference House	**162**	**-**	**-**	**-**	**162**	141
Income for training courses	**2**	**-**	**-**	**-**	**2**	5
Other fees/sales	**8**	**-**	**-**	**-**	**8**	44
	195	**-**	**471**	**-**	**666**	724

5. Other trading activities - company & group

	Unrestricted funds		Restricted	Endowment	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2023**	2022
	£000	**£000**	**£000**	**£000**	**£000**	£000
Rental Income	**83**	**-**	**133**	**-**	**216**	284
Whalley Abbey Conference House	**165**	**-**	**-**	**-**	**165**	133
Accounting and Legal services	**33**	**-**	**-**	**-**	**33**	19
Other fees/sales	**6**	**-**	**2**	**-**	**8**	1
	287	**-**	**135**	**-**	**422**	437

6. Investment income

Company	Unrestricted funds		Restricted	Endowment	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2023**	2022
	£000	**£000**	**£000**	**£000**	**£000**	£000
Dividends receivable	**230**	**14**	**398**	**-**	**642**	636
Interest receivable	**221**	**-**	**23**	**-**	**244**	56
Rents receivable	**-**	**-**	**32**	**-**	**32**	33
	451	**14**	**453**	**-**	**918**	725

Group	Unrestricted funds		Restricted	Endowment	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2023**	2022
	£000	**£000**	**£000**	**£000**	**£000**	£000
Dividends receivable	**230**	**14**	**476**	**-**	**720**	714
Interest receivable	**221**	**-**	**23**	**-**	**244**	56
Rents receivable	**-**	**-**	**32**	**-**	**32**	33
	451	**14**	**531**	**-**	**996**	803

7. Other income – company and group

	Unrestricted funds		Restricted	Endowment	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2023**	2022
	£000	**£000**	**£000**	**£000**	**£000**	£000
Gains on disposal of fixed assets	**2**	**-**	**1,524**	**343**	**1,869**	2,165
	2	**-**	**1,524**	**343**	**1,869**	2,165

8. Cost of raising funds – company and group

	Unrestricted funds		Restricted	Endowment	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2023**	2022
	£000	**£000**	**£000**	**£000**	**£000**	£000
Project Management	**63**	**-**	**-**	**-**	**63**	59
Parish share						
Secretariat	**17**	**-**	**-**	**-**	**17**	17
Archdeacons	**-**	**-**	**8**	**-**	**8**	4
Investment Management Costs	**29**	**-**	**8**	**3**	**40**	20
Whalley Abbey Rents	**4**	**-**	**-**	**-**	**4**	6
Rents	**-**	**-**	**20**	**-**	**20**	14
Fundraising Trading Whalley Abbey	**262**	**-**	**-**	**-**	**262**	180
Fundraising Trading other	**33**	**-**	**-**	**-**	**33**	19
	408	**-**	**36**	**3**	**447**	319

9. Expenditure on charitable activities

Company	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2023	2022
	£000	£000	£000	£000	£000	£000
Contributions to Archbishops' Council						
Training for ministry	**302**	**-**	**-**	**-**	**302**	302
National Church responsibilities	**177**	**-**	**-**	**-**	**177**	185
Grants and provisions	**31**	**-**	**-**	**-**	**31**	25
Mission Agency pension contributions	**10**	**-**	**-**	**-**	**10**	13
Retired clergy housing costs (CHARM)	**119**	**-**	**-**	**-**	**119**	114
Pooling of ordinand candidates costs	**25**	**-**	**-**	**-**	**25**	7
General Synod expenses	**17**	**-**	**-**	**-**	**17**	11
	681	**-**	**-**	**-**	**681**	657
Parish ministry						
Stipends & National Insurance	**18**	**-**	**5,364**	**-**	**5,382**	5,031
Pension contributions	**-**	**-**	**1,232**	**-**	**1,232**	1,435
Housing costs	**56**	**-**	**1,888**	**1**	**1,945**	1,588
Removal, resettlement and other grants	**-**	**-**	**230**	**-**	**230**	223
Other expenses	**2**	**-**	**54**	**-**	**56**	66
	76	**-**	**8,768**	**1**	**8,845**	8,343
Support for parish ministry	**1,847**	**32**	**183**	**-**	**2,062**	1,871
Whalley Abbey Conference House	**259**	**-**	**-**	**-**	**259**	239
Redundant churches	**-**	**-**	**236**	**-**	**236**	78
Strategic Development Funding Projects	**19**	**-**	**1,118**	**-**	**1,137**	2,083
St Philip's Centre Project	**39**	**-**	**-**	**-**	**39**	51
Grants to Parishes, Individuals and Other Charities	**175**	**130**	**418**	**-**	**723**	1,052
	2,339	**162**	**1,955**	**-**	**4,456**	5,374
Expenditure on education						
Grants for the work of the Board	**324**	**-**	**-**	**-**	**324**	359
	324	**-**	**-**	**-**	**324**	359
Charitable activities	**3,420**	**162**	**10,723**	**1**	**14,306**	14,733

Group	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2023	2022
	£000	£000	£000	£000	£000	£000
Contributions to Archbishops' Council						
Training for ministry	**302**	**-**	**-**	**-**	**302**	302
National Church responsibilities	**177**	**-**	**-**	**-**	**177**	185
Grants and provisions	**31**	**-**	**-**	**-**	**31**	25
Mission Agency pension contributions	**10**	**-**	**-**	**-**	**10**	13
Retired clergy housing costs (CHARM)	**119**	**-**	**-**	**-**	**119**	114
Pooling of ordinand candidates costs	**25**	**-**	**-**	**-**	**25**	7
General Synod expenses	**17**	**-**	**-**	**-**	**17**	11
	681	**-**	**-**	**-**	**681**	657
Parish ministry						
Stipends & National Insurance	**18**	**-**	**5,364**	**-**	**5,382**	5,031
Pension contributions		**-**	**1,232**	**-**	**1,232**	1,435
Housing costs	**56**	**-**	**1,888**	**1**	**1,945**	1,588
Removal, resettlement and other grants		**-**	**235**	**-**	**235**	223
Other expenses	**2**	**-**	**54**	**-**	**56**	66
	76	**-**	**8,773**	**1**	**8,850**	8,343
Support for parish ministry	**1,847**	**32**	**183**	**-**	**2,062**	1,871
Whalley Abbey Conference House	**259**	**-**		**-**	**259**	239
Redundant churches		**-**	**236**	**-**	**236**	78
Strategic Development Funding Projects	**19**	**-**	**1,118**	**-**	**1,137**	2,083
St Philip's Centre Project	**39**	**-**	**-**	**-**	**39**	51
Grants to Parishes, Individuals and Other Charities	**175**	**130**	**485**	**-**	**790**	1,052
	2,339	**162**	**2,022**	**-**	**4,523**	5,374
Expenditure on education						
Grants for the work of the Board	**324**	**-**	**-**	**-**	**324**	359
	324	**-**	**-**	**-**	**324**	359
Charitable activities	**3,420**	**162**	**10,795**	**1**	**14,378**	14,733

10. Analysis of expenditure including allocation of support costs – company and group

Company	Activities undertaken directly	Grant funding of Activities	Manage-ment Admin Support	Total 2023	Total 2022
	£000	£000	£000	£000	£000
Cost of raising funds	**389**	**-**	**58**	**447**	319
Contributions to Archbishops' Council	**17**	**664**	**-**	**681**	657
Parish Ministry	**8,615**	**230**	**-**	**8,845**	8,341
Support for Parish Ministry	**2,555**	**1,149**	**752**	**4,456**	5,286
Education	**-**	**324**	**-**	**324**	359
Other	**8**	**-**	**-**	**8**	4
	11,584	**2,367**	**810**	**14,761**	14,966

Group	**Activities undertaken directly**	**Grant funding of Activities**	**Manage-ment Admin Support**	**Total 2023**	Total 2022
	£000	**£000**	**£000**	**£000**	£000
Cost of raising funds	**389**	**-**	**58**	**447**	319
Contributions to Archbishops' Council	**17**	**664**	**-**	**681**	657
Parish Ministry	**8,615**	**235**	**-**	**8,850**	8,343
Support for Parish Ministry	**2,555**	**1,216**	**752**	**4,523**	5,374
Education	**-**	**324**	**-**	**324**	359
Other	**8**	**-**	**-**	**8**	4
	11,584	**2,439**	**810**	**14,833**	15,056

11. Analysis of support costs – company and group

	Unrestricted funds		**Restricted**	**Endowment**	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2023**	2022
	£000	**£000**	**£000**	**£000**	**£000**	£000
Raising Funds	**50**	**-**	**8**	**-**	**58**	37
Central Administration	**560**	**-**	**-**	**-**	**560**	577
Governance costs						
Secretariat	**34**	**-**	**-**	**-**	**34**	29
Accounting and Finance Office	**38**	**-**	**-**	**-**	**38**	42
Audit & accountancy fees	**27**	**-**	**-**	**-**	**27**	28
Diocesan Synod costs	**8**	**-**	**-**	**-**	**8**	7
DBF Directors and Bishop's Council Meetings	**14**	**-**	**-**	**-**	**14**	6
Chancellor and Registrar Fees	**71**	**-**	**-**	**-**	**71**	67
	802	**-**	**8**	**-**	**810**	793

12. Analysis of transfers between funds – company & group

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2023
	£000	£000	£000	£000	£000
From general fund to stipends income fund (restricted) and housing fund (restricted), to cover the deficits on net expenditure of those funds	**(5,563)**	**-**	**5,563**	**-**	**-**
From Pastoral Fund to Parsonages Fund – transfer costs of parsonages bought	**-**	**-**	**(2,281)**	**2,281**	**-**
From Parsonages Fund to Pastoral Fund – book value of parsonages transferred to the BDBF for disposal by pastoral schemes	**-**	**-**	**160**	**(160)**	**-**
From Vision 2026 fund (designated) to general fund for the Vision Director post	**15**	**(15)**	**-**	**-**	**-**
From Diocesan Vision 2026 Strategic Development fund to general fund and Housing fund to cover loss of income from houses used for projects	**40**	**(35)**	**(5)**	**-**	**-**
From Diocesan Vision 2026 Strategic Development fund to restricted fund to cover projects expenditure	**(1)**	**(113)**	**114**	**-**	**-**
From general fund to designated funds for Diocesan Conference and Area Dean costs	**(80)**	**80**	**-**	**-**	**-**
From designated to stipends income fund to meet clergy housing expenditure	**-**	**(211)**	**211**	**-**	**-**
From released endowment fund to restricted funds pre-reformation church buildings	**-**	**-**	**81**	**(81)**	**-**
	(5,589)	**(294)**	**3,843**	**2,040**	**-**

The funds that have been transferred have been used in line with any applicable restrictions and have been transferred to make the presentation of the expenditure more transparent. The spending of the funds has extinguished any restrictions.

13. Net income for the year – company and group

	2023	2022
These are stated after charging:	**£000**	£000
Fees payable to the auditor for audit services	**27**	25
Fees payable to the auditor for non audit services	**2**	-
Whalley Abbey Conference House Site Deficit	**146**	78

14. Staff numbers and costs – company and group

The average number of people employed during the year was 68 *(2022:56.7)*.

The full-time equivalent employees during the year, including sessional workers, has been analysed by teams.

	2023	2022
Enablers and Obligations	**26.7**	25.8
Growing Leaders	**6.5**	6.7
Making Disciples	**2.6**	1.5
Being Witnesses	**1.8**	1.0
Being Witnesses – parish workers	**5.2**	6.8
Area Deans Admin	**2.2**	0.9
Whalley Abbey Conference House	**7.4**	6.8
	52.4	49.5

The aggregate payroll costs of all employees were as follows:

	2023	2022
	£000	£000
Wages and salaries	**1,676**	1,387
Redundancy and settlement payments	**-**	-
Social security costs	**147**	126
Other pension costs	**215**	195
Other benefits	**5**	7
	2,043	1,715

There were 2 employees whose salary was in excess of £60,000 – one in the band £60,000 to £70,000 and one in the band £70,000 to £80,000 (*2022: none)*

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 2023 they were:

Diocesan Secretary:	Canon Stephen Whittaker
Deputy Diocesan Secretary and Company Secretary	Mrs Ruth McGaughey
Deputy Diocesan Secretary and Company Secretary	Mrs Carolyn Barton

Remuneration, pension and expenses for these 3 employees amounted to £251,022 (*2022:* £157,286 *for 2 employees*).

In addition to the foregoing numbers of persons employed by the charitable company in 2023 there were 173.6 (*2022: 172.6*) full time equivalent stipendiary clergy in post in the Diocese. These may be analysed as follows:

	2023	2022
Archdeacons	**2.0**	2.0
Incumbents	**134.9**	135.3
Curates	**36.2**	34.3
Lay Workers	**0.5**	1.0
	173.6	172.6

The average number of stipendiary clergy in post during 2023 was 185 (*2022: 183.5).*

Although not employed by the charitable company the payroll costs of the above persons are met by the charitable company and are included in the financial statements. The aggregate payroll costs of the above persons are as follows:

	2023	2022
	£000	£000
Stipend	**4,833**	4,648
Redundancy and settlement payments	**140**	108
Social security costs	**379**	380
Apprenticeship Levy	**22**	21
Pension costs - current year	**1,232**	1,435
	6,606	6,592

Trustees' emoluments

	Average number of directors	
	2023	2022
Directors	**23**	23

No trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £16,444 (*2022 - £17,218)* in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Trustees.

Trustees who are also licensed stipendiary clergy and archdeacons in the Diocese were in receipt of a stipend and housing provided by the BDBF during the year. The BDBF is also responsible for the provision of housing for the Suffragan Bishops but excluding the Diocesan Bishop and cathedral staff.

15. Pension schemes – company and group

Church of England Funded Pension Scheme

The BDBF 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 Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:.

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023 £000	2022 £000
Balance sheet liability at 1 January	-	318
Deficit contribution paid	-	(187)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(131)
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate 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. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2023	December 2022	December 2021
Discount rate	n/a	n/a	0.0% pa
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	-1.5% pa

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

Group Personal Pension Plan

The BDBF participates in a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the BDBF in an independently administered fund. The pension cost charge for the year represents contributions payable by the BDBF to the fund.

Church Workers Pension Fund

The BDBF participates in the Defined Benefits Scheme(DBS) section of the Church Workers Pension Fund (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.

For funding purposes, the 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 the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if DBS 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 2023: £27,545 *(*2022: £24,422*).*

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts

to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

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

The next actuarial valuation is due at 31 December 2022. The calculations for this are under way.

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 45.2% of pensionable salary and expenses of £3,200 per year.

The joint movement in the provision is set out below:

Joint Movement	2023 £000	2022 £000
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	-	-
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate 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 2023	December 2022	December 2021
Discount rate	N/A	0.00%	0.00%

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.

Parsonages Board Retirement Benefit Schemes

The Parsonages Board Retirement Benefit Schemes contains one scheme with one member. It is a defined benefit scheme with the Ecclesiastical Insurance Group.

The scheme is not considered material within the assets of the Blackburn Diocesan Board of Finance and due to the cost to the charity of obtain information on the scheme the Blackburn Diocesan Board of Finance have not complied in full with the requirements of FRS102.

The deficit was recognised at 1 January 2014 based on the triannual valuation (2013) of £94,200. The SOFA has been charged with the future service contribution rate with the past service deficit reducing the balance sheet liability in the intervening years. The balance sheet deficit has been adjusted on receipt of the latest triannual valuation report (June 2022). The deficit recognised at 31 December 2023 is £0.

16. Analysis of grants made

Company **Included Within**	**Grants to Individuals £000**	**Grants to Institutions £000**	**2023 Total £000**	2022 Total £000
Contributions to Archbishops' Council	**-**	**664**	**664**	646
Parish Ministry				
First appointment and resettlement grants	**230**	**-**	**230**	223
Support for parish ministry				
Ordinands	**140**	**-**	**140**	173
Harvest appeal charities	**-**	**30**	**30**	16
Parishes	**-**	**906**	**906**	872
Area Deans (parish)	**-**	**21**	**21**	6
Continuing ministerial education	**8**	**-**	**8**	3
Churches Together in Lancashire	**-**	**6**	**6**	6
Clergy hardship grants	**14**	**-**	**14**	53
Inter Diocesan Counselling services	**-**	**10**	**10**	7
Emmanuel Theological college	**-**	**10**	**10**	-
Other	**-**	**4**	**4**	1
Education	**-**	**324**	**324**	359
Total Grants Payable	**392**	**1,975**	**2,367**	2,365

Group **Included Within**	**Grants to Individuals £000**	**Grants to Institutions £000**	**2023 Total £000**	2022 Total £000
Contributions to Archbishops' Council	**-**	**664**	**664**	646
Parish Ministry				
First appointment and resettlement grants	**235**	**-**	**235**	223
Support for parish ministry				
Ordinands	**140**	**-**	**140**	173
Harvest appeal charities	**-**	**30**	**30**	16
Parishes	**-**	**906**	**906**	872
Area Deans (parish)	**-**	**21**	**21**	6
Continuing ministerial education	**8**	**-**	**8**	3
Churches Together in Lancashire	**-**	**6**	**6**	6
Retired clergy and clergy widows	**67**	**-**	**67**	88
Clergy hardship grants	**14**	**-**	**14**	53
Inter Diocesan Counselling services	**-**	**10**	**10**	7
Other	**-**	**4**	**4**	1
Emmanuel	**-**	**10**	**10**	-
Education	**-**	**324**	**324**	359
Total Grants Payable	**464**	**1,975**	**2,439**	2,453

17. Tangible fixed assets – company and group

	Parsonages £000	*Non Parsonages/ Land* £000	**Total Freehold land and buildings £000**	**Fixtures, fittings and office equipment £000**	**Total £000**
Cost or valuation					
At beginning of year	26,907	14,170	**41,077**	315	**41,392**
Additions	2,710	1,706	**4,416**	16	**4,432**
Disposals	(160)	(969)	**(1,129)**	(13)	**(1,142)**
Impairments	-	(100)	**(100)**	-	**(100)**
At end of year	**29,457**	**14,807**	**44,264**	**318**	**44,582**
Depreciation					
At beginning of year	-	979	**979**	188	**1,167**
Charge for year	-	17	**17**	36	**53**
Disposals	-	-	**-**	(12)	**(12)**
At end of year	-	996	**996**	212	**1,208**
Net book value					
At 31 December 2023	**29,457**	**13,811**	**43,268**	**106**	**43,374**
At 31 December 2022	26,907	13,191	40,098	127	40,225

Parsonage houses are legally vested in the incumbent (an "ecclesiastical corporation sole") as freeholder during his incumbency. Three features of the incumbent's freehold have significantly influenced the accounting treatment adopted in these financial statements. Firstly, the freeholder is not free to dispose of the house for personal benefit and is not responsible for maintaining the house. Secondly, proceeds of any sale, following a pastoral reorganisation which makes the house surplus, normally revert to the Diocesan Pastoral Account or Diocesan Stipends Fund. Thirdly, the Diocese is responsible for repair and maintenance, a responsibility which is currently carried out by the Diocesan Property Committee. The Diocese therefore carries both the benefits and obligations of ownership, and accordingly the financial statements include the parsonage houses together with other Diocesan land and buildings.

Parsonage houses and other Diocesan residential houses have been included in tangible fixed assets at cost, or valuation where cost was not available for houses purchased prior to 1998. The valuation attributed to each house was the mid-point (low point for the top two bands) of the council tax valuation banding applied to the house. The aggregate value of the houses valued in this way amounted to £19,129,000 *(2022:* £19,413,000*)*.

Heritage Asset

Whalley Abbey was bought from the Diocese of Manchester in 1926. It comprises substantial remains of a Cistercian Abbey founded in 1296 and dissolved in 1537.

The Abbey of St Mary the Virgin, also known as Locus Benedictus de Whalley was founded by Henry de Lacy, third Earl of Lincoln on the 4th April 1296. The Abbey had moved from the unfavourable site of Stanlaw into the Parsonage and other temporary buildings at Whalley in 1283, when there were 20 monks.

Excavation has uncovered the outlines of the church, surviving as foundations, as does the eastern claustral range and the polygonal Chapter House.

The standing Abbey buildings and Conference House

The following notes are extracted from the Conservation Plan prepared in 2002.

The Conservation Plan was compiled under the direction of John Prichard (Lloyd Evans Prichard), architect accredited in building conservation, with architectural history advice from James Anderson and Clare Hartwell (Architectural History Practice), and archaeological advice from Jason Wood (Heritage Consultancy Services).

North-East Gatehouse

The North-East Gatehouse dates to circa 1480, and was constructed to provide an impressive entrance to the Abbot's Lodging and *Clausum*, the sacred precinct. It echoes the earlier North-West Gatehouse with its two entrance ways, but is embellished with diagonal buttresses, crenelation, and a statue niche.

Courtyard North Range

The Courtyard North Range may include some medieval content, but the present structures are principally seventeenth century, with nineteenth-century additions, and substantial late twentieth-century alterations to create the tea room, kitchen, and exhibition room. It is excluded from the scheduling.

The Conference House

The Conference House is excluded from the scheduling, but it deserves its Grade I status and is of national significance. The individual components are considered below, and elements of significance discussed.

The central block includes original medieval fabric, such as the arch adjacent to the chapel, as well as medieval stonework which has probably been re-used from demolished structures, such as the window between the Dining Room and the kitchen. The nineteenth century interiors are a very good example of Gothic Revival/Arts and Crafts work; particularly noteworthy is the roof and fireplace in the Great Hall and the staircase decorated windows.

The East Wing

The East Wing extends south from the chapel and comprises inter alia the Paslew Suite and the Peter of Chester room on the ground floor, and seven bedrooms on the first floor. The Paslew Suite and Peter of Chester room may incorporate medieval material, but they, and the bedrooms immediately above, were substantially rebuilt in the late sixteenth century, as evidenced by the mullioned windows in the east wall, the date stone (not always a true indicator and the dating of Forrest Historic by English Heritage during the 21stC refurbishment works. An extension was added in the mid-nineteenth century, with bedrooms above.

The West Wing

The West Range was added in the 1860s, and was well designed externally to blend with the late seventeenth-century gabled north extension, and the remains of the Abbot's Kitchen and Long Gallery Range on the west.

The BDBF recognises its responsibility to preserve the heritage asset and is currently looking to raise funds to be able to undertake work on the ruins. It does not intend to acquire other heritage assets. Whalley Abbey grounds are open to the public to view the ruins but access is restricted to the buildings on the site.

The current asset value for Whalley Abbey is £0.9m after a major refurbishment of the house in 2004. The asset is being depreciated over 15 years to £0.5m. The depreciated value represents the value in the accounts of the whole site and is based on an indication made by a local surveyor. It is difficult to obtain an accurate valuation for the site as the ruins represent a continued liability for their maintenance and upkeep which considerably reduces the value of the asset if sold in its entirety.

18. Investments and investment property

Company	**Investment Property £000**	**Unlisted CBF investments £000**	**Others investments £000**	**Total investments £000**
At valuation				
At beginning of year	1,799	19,281	9	21,089
Additions	-	13	-	13
Disposals	(285)	(76)	-	(361)
Increase (decrease) in market value	23	1,395	-	1,418
At end of year	**1,537**	**20,613**	**9**	**22,159**
At historic cost	507	10,642	9	11,158

Group	**Investment Property £000**	**Unlisted CBF investments £000**	**Others investments £000**	**Total investments £000**
At valuation				
At beginning of year	1,799	21,799	15	23,613
Additions	-	13	-	13
Disposals	(285)	(76)	-	(361)
Increase (decrease) in market value	23	1,593	-	1,616
At end of year	**1,537**	**23,329**	**15**	**24,881**
At historic cost	507	11,186	15	11,708

Investment property is Diocesan glebe land vested in the DBF under the Endowments and Glebe Measure 1976 that is held for the purposes of producing income for clergy stipends. The glebe land is measured at fair value at the year end by an independent RICS registered valuer. The valuation has been undertaken in accordance with International and RICS Valuation Standards and has been based upon the valuer's experience in the valuation of agricultural, institutional and amenity land within the Lancashire and wider north-west region.

Unlisted investments are made up of Central Board of Finance investments in Church of England Investment Fund shares, Property Fund shares and Fixed Interest Securities.

19. Debtors

	2023 £000 Company	**2023 £000 Group**	2022 £000 Company	2022 £000 Group
Amounts receivable within one year				
Prepayments and accrued income	**788**	**807**	665	683
Other debtors	**1,189**	**1,189**	1,072	1,072
Amount owed by related parties (Cidari Education)	**-**	**-**	6	6
Loans to related parties (Emmanuel Theological College)	**-**	**-**	10	10
Loans to parishes	**24**	**24**	440	440
	2,001	**2,020**	2,193	2,211
Amounts receivable after more than one year				
Loans to parishes	**87**	**87**	14	14
	87	**87**	14	14

20. Creditors

	2023	**2023**	2022	2022
	£000	**£000**	£000	£000
	Company	**Group**	Company	Group
Amounts falling due within one year				
Trade creditors	**172**	**172**	548	548
Other creditors (taxation and social security)	**60**	**60**	53	53
Other creditors	**434**	**434**	88	88
Accruals	**124**	**127**	186	186
Amounts owed to related parties (BDBE)	**-**	**-**	235	235
CCLA loan	**-**	**-**	418	418
	790	**793**	1,528	1,528

	2023	**2023**	2022	2022
	£000	**£000**	£000	£000
Amounts falling due after more than one year				
Due to Churches Conservation Trust	**130**	**130**	157	157
	130	**130**	157	157

The long term loan from CCLA is a flexible loan facilities subject to a maximum repayment term of 10 years. The loan has been repaid in 2023.

The amount owed to Churches Conservation Trust is due on disposal of five redundant church buildings.

21. Commitments – company & group

Commitments at 31 December 2023, for which no provision has been made in these accounts, were as follows:

	2023	2022
	£000	£000
Authorised, but not contracted:		
Parish Vision Fund	**233**	128
Pre-reformation Church Buildings Fund	**131**	-
Lower Income Communities Fund	**82**	65
Benefact Grant Fund	**-**	6
Clergy Housing Fund	**436**	544
	882	678

22. Called up share capital

The charitable company is limited by guarantee, registered in England and does not have an authorised or allotted share capital.

23. Net assets analysed by fund

Company	**Tangible Fixed Assets**	**Fixed Asset Investment**	**Net Current Assets**	**Long term Creditor**	**Net assets as at 31 December 2023**
	£000	**£000**	**£000**	**£000**	**£000**
General Fund	1,637	6,999	277	-	8,913
Designated Funds	-	503	2,164	-	2,667
Total Unrestricted Funds	1,637	7,502	2,441	-	11,580
Pastoral Account	8,168	-	2,947	(130)	10,985
Other Restricted Funds	-	21	711		732
Total Restricted Funds	8,168	21	3,658	(130)	11,717
Parsonage Houses Fund	29,457	1,147	-	-	30,604
Stipends Capital / Housing Fund	4,112	11,160	970	-	16,242
Other Endowment Funds	-	2,329	5	-	2,334
Total Endowment Funds	33,569	14,636	975	-	49,180
Total	**43,374**	**22,159**	**7,074**	**(130)**	**72,477**

Group	**Tangible Fixed Assets**	**Fixed Asset Investment**	**Net Current Assets**	**Long term Creditor**	**Net assets as at 31 December 2023**
	£000	**£000**	**£000**	**£000**	**£000**
General Fund	1,637	6,999	277	-	8,913
Designated Funds	-	503	2,164	-	2,667
Total Unrestricted Funds	1,637	7,502	2,441	-	11,580
Pastoral Account	8,168	-	2,947	(130)	10,985
Other Restricted Funds	-	266	1,085		1,351
Total Restricted Funds	8,168	266	4,032	(130)	12,336
Parsonage Houses Fund	29,457	1,147	-	-	30,604
Stipends Capital / Housing Fund	4,112	11,160	970	-	16,242
Other Endowment Funds	-	4,806	5	-	4,811
Total Endowment Funds	33,569	17,113	975	-	51,657
Total	**43,374**	**24,881**	**7,448**	**(130)**	**75,573**

24. Unrestricted funds

Unrestricted funds comprise those funds which are available for application for the general purposes of the charity as set out in its governing document. Movements on this fund are as follows:

	At 1 January 2023 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2023 £000
General Fund	8,520	9,337	(3,828)	473	(5,589)	8,913

	At 1 January 2023 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2023 £000
Designated Funds						
Office Assets Fund	439	14	-	43	-	496
Parsonages Fund	323	-	-	-	(211)	112
Parish Vision 2026 Grant and Loan Fund	863	4	(54)	-	-	813
Diocesan Vision Strategic Development Fund	553	-	(76)	-	-	477
Diocesan Vision 2026 Fund	464	80	(32)	-	(163)	349
Allchurches Trust Grant Fund	238	-	-	-	-	238
Other Designated Funds	102	-	-	-	80	182
	2,982	98	(162)	43	(294)	2,667

Designated Funds

Fund	Application/purpose
Income for specific purposes	Designated to provide income to specific purposes in the parish share budget
Office Assets Fund	Designated for repairs, renovation or for buying a new building in the future.
Parsonages Fund	For repairs and disability adaptation on parsonages in excess of parish share budget
Parish Vision 2026 Loan Fund	Designated to provide some of the loans to parishes to continue their mission projects
Diocesan Vision Strategic Development Fund	Designated to provide match funding necessary for Strategic Development Funding applications
Diocesan Vision 2026 Fund	Designated to contingencies for the development of the diocesan vision
Allchurches Trust Grant Fund	The fund assists with funding the cost of diocesan projects, building administration costs, education, parish mission projects and major building works.

25. Restricted funds

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

	At 1 January 2023 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2023 £000
Diocesan Pastoral Account	11,701	1,534	(313)	-	(2,121)	10,801
Diocesan Stipends Fund Income Account	-	1,815	(8,744)	-	6,929	-
Social Responsibility Projects	69	1	-	-	-	70
Parish Vision 2026 Grant Fund	38	5	(44)	1	-	-
Bishops Ordination Fund	152	3	(11)	-	-	144
Resourcing Ministerial Education (RME) Fund	161	129	(136)	-	-	154
Bishop's Harvest Appeal	20	30	(27)		-	23
Bishop's Clergy in Need Fund	37	2	-	-	-	39
SDF Funded Projects	17	1,047	(1,114)		107	57
Lower Income Communities Funding	-	1,460	(304)	-	(1,156)	-
Parish Pastoral Fund	184	-	-	-	-	184
Other Restricted Funds	182	45	(66)	-	84	245
Subtotal Funds – Company	12,561	6,071	(10,759)	1	3,843	11,717
Bishops Clergy Widows Fund	629	78	(72)	(16)	-	619
Total Funds - Group	13,190	6,149	(10,831)	(15)	3,843	12,336

The specific purposes for which the funds are to be applied are as follows:

Fund	Application/purpose
Diocesan Pastoral Account	Purposes are laid down in Section 78 of the Pastoral Measure 1983, the main purposes being: ● Costs incurred for the purposes of the Measure or any scheme or order made by the measure except for salaries of regular diocesan employees ● Costs of disposing of or maintaining houses or churches vested in the DBF or Commissioners ● For the benefit of another diocese ● Transfer to the DSF Capital or Income Funds
Diocesan Stipends Fund Income Account	Subject to any charges imposed by the 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 ● Paying secondary Class 1 contributions in respect of ministers not employed under a contract of service ● Defray sequestrators' expenses
Social Responsibility Projects	The Social Responsibility section received funding for specific projects and for its general costs relating to those projects. Project funding was restricted to the project it had been requested for and approved expenditure is applied against the funding in accordance with the funders rules.
Parish Vision 2026 Grant Fund	The Grant Fund exists to enable parishes to fulfil mission opportunities, normally through the appointment of lay workers.

Bishops Clergy Widows Fund	The Bishop's Clergy Widows Fund is used to help clergy widows and retired clergy in cases of financial hardship, particularly with housing costs. It funds the cost of social events and the cost of the Diocesan Officer and Bishop's visitors.
Bishops Ordination Fund	The Ordination Fund is used to assist with meeting the costs of Ordinands in training.
Bishop's Harvest Appeal	Each year the Bishop selects a charity to benefit from his Harvest Appeal. Parishes, Schools and individuals within the Diocese collect money in support of this charity and the monies are distributed by the Diocese in accordance with the appeal.
Bishop's Clergy Fund	The fund was established by transfer of some of the Extra Mission and Ministry funds received from the Archbishops' Council 2008 – 2010. Grants from the fund are awarded at the discretion of the Bishop, to serving clergy in the Diocese.
Resourcing Ministerial Education (RME) Fund	Specific funding for Ordinands in training from National Church
Strategic Development Fund, Funded Projects	Specific funding for the Outer Estates project and Preston Resourcing parish from National Church
Lower Income Communities Fund	Funding to promote the growth of churches in Lower Income Communities
Parish Pastoral Fund	This fund reflects monies ring fenced from the sale of a vicarage in a parish where no scheme for pastoral re-organisation is currently in place. The monies must be held until either a vicarage is purchased, or a scheme is put in place.

26. Endowment funds

The endowment funds are held on trust to be retained for the benefit of the Charity as a capital fund. Where the whole of the fund must be permanently maintained it is known as permanent endowment. Where there is power of discretion to convert endowed funds into income, the fund is classified as expendable endowment.

	At 1 January 2022	Income	Expenditure	Gains and losses	Transfers	At 31 December 2023
	£000	£000	£000	£000	£000	£000
Diocesan Stipends Fund Capital Account	15,292	343	(18)	625	-	16,242
Parsonage Houses Fund	27,953	430	-	100	2,121	30,604
Other Permanent endowment						
Maintenance of the Ministry	314	-	-	30	-	344
General purposes	391	-	-	37	-	428
Whalley Abbey	171	-	-	16	-	187
Other endowments	84	-	6	-	(81)	9
Stipends	1,274	-	-	92	-	1,366
Subtotal Funds - Company	45,479	773	(12)	900	2,040	49,180
Bishops Clergy Widows Fund	2,263	-	-	214	-	2,477
Total Funds - Group	47,742	773	(12)	1,114	2,040	51,657

The Diocesan Stipends Fund Capital Account

This fund represents the value of glebe property and investments at the balance sheet date and is a permanent endowment fund.

The account is governed by the Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure 1992.

Income arises from the sale of glebe assets, the transfer of parsonage sale money, transfers from the DSF Income account, as well as gifts, bequests and donations.

The main function of the fund is to produce income for the stipends, but it may also be used for other purposes including: acquiring glebe property, investing in a subsidiary, developing and protecting glebe amenities, investment, discharging loans and levies on glebe, improving parsonage houses and discharging any loans made by the Church Commissioners under the Endowments and Glebe Measure 1976.

Parsonages Houses fund

This fund represents the value of benefice houses at the balance sheet date, together with the Parsonages Building Fund held by the Church Commissioners and investments held by the Parsonages Board. The houses are used to provide accommodation for the parochial clergy.

The Diocese is not free to dispose of the houses except in accordance with the appropriate measure. There is provision for the net proceeds of sale to be applied to either the Diocesan Pastoral Account or Diocesan Stipends Fund Capital once a disposal has been effected.

The Parsonage Houses fund is an expendable endowment.

Other Permanent endowments

The permanent endowments are established under a variety of trust deeds and documents which require the funds to be held in perpetuity. The income of the funds is to be applied to the Bishops Clergy Widows fund, Maintenance of the Ministry fund, General purposes fund, Diocesan Stipends Income fund, Whalley Abbey fund and other smaller endowment funds.

27. Related parties' transactions – company and group

During the year the company shared office space with the Blackburn Diocesan Board of Education and Cidari Education Ltd. Shared and staff time expenditure has been recharged at cost.

	2023 Recharges (excl. VAT)	**2023 Grants made to related parties**	2022 Recharges (excl. VAT)	2022 Grants made to related parties
	£	**£**	£	£
Blackburn Diocesan Board of Education	**27,867**	**324,061**	24,314	359,360
Cidari Education Ltd	**10,006**	**-**	10,492	-
Blackburn Cathedral	**14,631**	**-**	8,038	999
Emmanuel Theological College	**3,360**	**10,000**	9,700	-

During the year £133,246 has been paid to Emmanuel Theological College for training of readers and ordinands (*2022:* £164,462*).*

At the year end the balances due from related parties were as follows:

	Outstanding Trade Balances at 31/12/2023	**Outstanding Loan Balances at 31/12/2023**	Outstanding Trade Balances at 31/12/2022	Outstanding Loan Balances at 31/12/2022
	£	**£**	£	£
Cidari Education Ltd	**-**	**-**	11,126	-
Blackburn Cathedral	**-**	**7,340**	5,110	425,340
Emmanuel Theological College	**720**	**-**	-	10,000
Blackburn Diocesan Board of Education	**1,700**	**-**	-	-

At 31 December 2023 there was a balance due from the Blackburn Diocesan Board of Education of £1,700 (*2022: a balance of £169,926 was due to the* Blackburn Diocesan Board of Education*).*

During the year donations received from trustees amounted to £4,769 (*2022:* £4,494). No donations have been received from key management personnel (*2022: £nil*).

28. Subsidiary undertakings

The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy ("the fund") is a subsidiary of the Blackburn Diocesan Board of Finance on the basis of common control. The purpose of the fund is to help clergy widows and retired clergy in cases of financial hardship, particularly with housing costs.

The results for the year to 31 December 2023 and the assets and liabilities at this date are:

	Income	Expenditure	Gains and Losses	Net Movement in Funds
	£000	**£000**	**£000**	**£000**
The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy Charity number: 505091	78	(72)	(16)	(10)

	Fixed Assets Investments	Debtors	Deposits and Cash	Creditors	Total Net Assets
	£000	**£000**	**£000**	**£000**	**£000**
The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy Charity number: 505091	2,722	19	358	(3)	3,096

29. Financial instruments

Company	**2023**	2022
	£000	£000
Financial assets measured at fair value	**22,159**	21,089
Financial assets measured at amortised cost	**7,864**	9,913
Financial liabilities measured at amortised cost	**790**	1,528
Financial liabilities measured at fair value	**130**	157

Group	**2023**	2022
	£000	£000
Financial assets measured at fair value	**24,881**	23,612
Financial assets measured at amortised cost	**8,241**	10,281
Financial liabilities measured at amortised cost	**793**	1,528
Financial liabilities measured at fair value	**130**	157

Financial assets measured at fair value comprise investments.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and receivables and parish loans.

Financial liabilities measured at amortised cost comprise accruals, other creditors, the Clergy Pension Scheme liability and amounts held for other bodies.

Financial liabilities measured at fair value comprise value linked loans.

30. Funds held as custodian trustee – company and group

The BDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. PCC trust investment assets held by the BDBF have been summarised below at market value:

	2023	2022
	£000	£000
CBF Church of England Deposit fund	**4,768**	4,586
CBF Church of England Investment fund	**11,131**	10,459
CBF Church of England Fixed Interest fund	**255**	257
CBF Church of England Property fund	**58**	61
Other	**44**	44
Cash at bank	**8**	11
Total assets held as custodian trustee	**16,264**	15,418

The BDBF also acts as custodian trustee in relation to Parochial Church Council (PCC) property. These assets are held separately to those of the BDBF.

31. Prior year comparative Statement of Financial Activities

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			2022
	£000	£000	£000	£000	£000
Income and endowments from:					
Donations and legacies					
Parish contributions	7,626	-	-	-	7,626
Archbishops' Council and Church commissioners	255	-	4,624	-	4,879
Other	115	136	107	-	358
Charitable activities: statutory fees, chaplaincy and other income	190	-	534	-	724
Other trading activities	216	-	221	-	437
Investments	275	13	515	-	803
Other	-	-	1,908	257	2,165
Total Income and endowments	8,677	149	7,909	257	16,992
Expenditure on:					
Raising funds	301	-	18	-	319
Charitable activities	3,139	78	11,516	-	14,733
Other	-	-	-	4	4
Total Expenditure	3,440	78	11,534	4	15,056
Net income/(expenditure) before investments	5,237	71	(3,625)	253	1,936
Net (loss)/gains on investments	(866)	(58)	(37)	(1,909)	(2,870)
Net income/(expenditure) before transfers	4,371	13	(3,662)	(1,656)	(934)
Transfers between funds	(5,305)	(64)	5,865	(496)	-
Net income/(expenditure) before other recognised gains and losses	(934)	(51)	2,203	(2,152)	(934)
Other recognised gains/(losses)					
Gain/(loss) on revaluation of fixed assets	-	-	-	-	-
Gain/(loss) on defined benefit pension schemes	179	-	-	-	179
Net movement in funds	(755)	(51)	2,203	(2,152)	(755)
Reconciliation of funds					
Total funds at 1 January 2022	9,275	3,033	10,987	49,894	73,189
Total funds at 31 December 2022	8,520	2,982	13,190	47,742	72,434

32. Prior year comparative Archbishops' Council and Church Commissioners

	Unrestricted fund		Restricted	Endowment	Total funds
	General	Designated	funds	Funds	2022
	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,402	-	1,402
Energy Costs Grant	-	-	431	-	431
Resourcing Ministerial Education Block Grant	-	-	221	-	221
Strategic Ministry Fund	-	-	379	-	379
Strategic Capacity Funding	255	-	16	-	271
Strategic Development Funding	-	-	2,103	-	2,103
Clergy hardship grant	-	-	72	-	72
	255	-	4,624	-	4,879

33. Prior year comparative Other donations

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£000	£000	£000	£000	£000
Benefact Trust	45	120	-	-	165
Donations	21	16	28	-	65
Other Grants	39	-	79	-	118
Legacies	10	-	-	-	10
	115	136	107	-	358

34. Prior year comparative Charitable activities

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	-	-	494	-	494
Church Commissioners - Guaranteed annuities	-	-	1	-	1
Recharge of staff costs	-	-	39	-	39
Whalley Abbey Conference House	141	-	-	-	141
Income for training courses	5	-	-	-	5
Other fees/sales	44	-	-	-	44
	190	-	534	-	724

35. Prior year comparative Other trading activities

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£000	£000	£000	£000	£000
Rental Income	63	-	221	-	284
Whalley Abbey Conference House	133	-	-	-	133
Accounting and Legal services	19	-	-	-	19
Consultancy services	-	-	-	-	-
Other fees/sales	1	-	-	-	1
	216	-	221	-	437

36. Prior year comparative Investment Income

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£000	£000	£000	£000	£000
Dividends receivable	231	13	470	-	714
Interest receivable	44	-	12	-	56
Rents receivable	-	-	33	-	33
	275	13	515	-	803

37. Prior year comparative Other income

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£000	£000	£000	£000	£000
Gains on disposal of fixed assets	-	-	1,908	257	2,165
Gains on disposal of investments	-	-	-	-	-
Loan interest	-	-	-	-	-
	-	-	1,908	257	2,165

38. Prior year comparative Cost of raising funds

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£000	£000	£000	£000	£000
Project Management	59	-	-	-	59
Parish share					
Secretariat	17	-	-	-	17
Archdeacons	-	-	4	-	4
Investment Management Costs	20	-	-	-	20
Whalley Abbey Rents	6	-	-	-	6
Rents	-	-	14	-	14
Fundraising Trading Whalley Abbey	180	-	-	-	180
Fundraising Trading other	19	-	-	-	19
	301	-	18	-	319

39. Prior year comparative Expenditure on charitable activities

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£000	£000	£000	£000	£000
Contributions to Archbishops' Council					
Training for ministry	302	-	-	-	302
National Church responsibilities	185	-	-	-	185
Grants and provisions	25	-	-	-	25
Mission Agency pension contributions	13	-	-	-	13
Retired clergy housing costs (CHARM)	114	-	-	-	114
Pooling of ordinand candidates costs	7	-	-	-	7
General Synod expenses	11	-	-	-	11
	657	-	-	-	657
Parish ministry					
Stipends & National Insurance	-	-	5,031	-	5,031
Pension contributions	-	-	1,435	-	1,435
Housing costs	45	-	1,543	-	1,588
Removal, resettlement and other grants	-	-	223	-	223
Other expenses	-	4	62	-	66
	45	4	8,294	-	8,343
Support for parish ministry	1,839	32	-	-	1,871
Whalley Abbey Conference House	239	-	-	-	239
Redundant churches	-	-	78	-	78
Strategic Development Funding Projects	-	-	2,083	-	2,083
St Philip's Centre Project	-	-	51	-	51
Grants to Parishes, Individuals and Other Charities	-	42	1,010	-	1,052
Miscellaneous Expenses	-	-	-	-	-
	2,078	74	3,222	-	5,374
Expenditure on education					
Grants for the work of the Board	359	-	-	-	359
	359	-	-	-	359
Charitable activities	3,139	78	11,516	-	14,733

40. Prior year comparative Analysis of expenditure including allocation of support costs

	Activities undertaken directly	Grant funding of Activities	Management Admin Support	Total 2022
	£000	£000	£000	£000
Cost of raising funds	282	-	37	319
Contributions to Archbishops' Council	11	646	-	657
Parish Ministry	8,120	223	-	8,343
Support for Parish Ministry	3,397	1,225	752	5,374
Education	-	359	-	359
Other	4	-	-	4
	11,814	2,453	789	15,056

41. Prior year comparative Analysis of support costs

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£000	£000	£000	£000	£000
Raising Funds	33	-	4	-	37
Central Administration	577	-	-	-	577
Governance costs					
Secretariat	29	-	-	-	29
Accounting and Finance Office	42	-	-	-	42
Audit & accountancy fees	28	-	-	-	28
Diocesan Synod costs	7	-	-	-	7
DBF Directors and Bishop's Council Meetings	6	-	-	-	6
Chancellor and Registrar Fees	67	-	-	-	67
	789	-	4	-	793

42. Prior year comparative Net assets analysed by fund

	Tangible Fixed Assets	**Fixed Asset Investment**	**Net Current Assets**	**Long term Creditor**	**Net assets as at 31 December 2022**
	£000	£000	£000	£000	£000
General Fund	1,677	6,526	317	-	8,520
Designated Funds	-	446	2,536	-	2,982
Total Unrestricted Funds	1,677	6,972	2,853	-	11,502
Pastoral Account	7,656	-	4,387	(157)	11,886
Other Restricted Funds	-	281	1,023	-	1,304
Total Restricted Funds	7,656	281	5,410	(157)	13,190
Parsonage Houses Fund	26,906	1,047	-	-	27,953
Stipends Capital / Housing Fund	3,986	10,821	485	-	15,292
Other Endowment Funds	-	4,492	5	-	4,497
Total Endowment Funds	30,892	16,360	490	-	47,742
Total	40,225	23,613	8,753	(157)	72,434

43. Prior year comparative Unrestricted funds

	At 1 January 2022 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2022 £000
General Fund	9,275	8,677	(3,440)	(687)	(5,305)	8,520
Designated Funds						
Office Assets Fund	484	13	-	(58)	-	439
Parsonages Fund	323	-	-	-	-	323
Parish Vision 2026 Grant and Loan Fund	822	56	(15)	-	-	863
Diocesan Vision Strategic Development Fund	578	-	(25)	-	-	553
Diocesan Vision 2026 Fund	478	80	(11)	-	(83)	464
Allchurches Trust Grant Fund	265	-	(27)	-	-	238
Other Designated Funds	83	-	-	-	19	102
	3,033	149	(78)	(58)	(64)	2,982

44. Prior year comparative Restricted funds

	At 1 January 2022 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2022 £000
Diocesan Pastoral Account	9,430	1,923	(148)	-	496	11,701
Diocesan Stipends Fund Income Account	-	1,579	(8,063)	-	6,484	-
Social Responsibility Projects	101	19	(51)	-	-	69
Parish Vision 2026 Grant Fund	97	6	(62)	(3)	-	38
Bishops Clergy Widows Fund	676	78	(90)	(35)	-	629
Bishops Ordination Fund	152	4	(4)	-	-	152
Resourcing Ministerial Education (RME) Fund	123	221	(183)	-	-	161
Bishop's Harvest Appeal	16	20	(16)		-	20
Bishop's Clergy in Need Fund	37	-	-	-	-	37
SDF Funded Projects	(24)	2,101	(2,082)	-	42	37
Lower Income Communities Funding	38	1,402	(301)	-	(1,139)	-
Parish Pastoral Fund	190	-	(6)	-	-	184
Other Restricted Funds	151	556	(528)	1	(18)	162
	10,987	7,909	(11,534)	(37)	5,865	13,190

45. Prior year comparative Endowment funds

	At 1 January 2022 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2022 £000
Diocesan Stipends Fund Capital Account	16,213	257	(4)	(1,174)	-	15,292
Parsonage Houses Fund	28,589	-	-	(140)	(496)	27,953
Other Permanent endowment						
Bishops Clergy Widows Fund	2,562	-	-	(299)	-	2,263
Maintenance of the Ministry	356	-	-	(42)	-	314
General purposes	443	-	-	(52)	-	391
Whalley Abbey	194	-	-	(23)	-	171
Other endowments	94	-	-	(10)	-	84
Stipends	1,443	-	-	(169)	-	1,274
	49,894	257	(4)	(1,909)	(496)	47,742

THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

England & Wales - Charity number 247647

Accounts

VISION 2026
HEALTHY CHURCHES TRANSFORMING COMMUNITIES

THE DIOCESE OF BLACKBURN
THE CHURCH OF ENGLAND IN LANCASHIRE

The Blackburn Diocesan Board of Finance Limited

Annual report and financial statements

Company limited by guarantee (no 225457)
Registered charity (no 247647)
Date: 31 December 2022

Contents

VISION STATEMENT 2

LEGAL OBJECTS 3

STRATEGIC REPORT 3

STRATEGIC AIMS AND OBJECTIVES FOR THE YEAR 3

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR 4

FUTURE PLANS 7

FINANCIAL REVIEW 9

PRINCIPAL RISKS AND UNCERTAINTIES 11

STRUCTURE, GOVERNANCE AND MANAGEMENT 12

SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND 12

ORGANISATIONAL STRUCTURE 12

DIRECTORS' RESPONSIBILITIES 15

STATEMENT OF DISCLOSURE TO THE AUDITORS 15

APPOINTMENT OF AUDITOR 15

ADMINISTRATIVE DETAILS 16

ATTENDANCE OF DIRECTORS AT MEETINGS IN 2022 17

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED 18

STATEMENT OF FINANCIAL ACTIVITIES 21

INCOME AND EXPENDITURE ACCOUNT 22

BALANCE SHEET 23

CASH FLOW STATEMENT 24

NOTES TO THE FINANCIAL STATEMENTS 25

VISION STATEMENT

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026.
The Vision was launched in 2015 when the Diocese of Blackburn made a bold strategic decision to change and to grow through the priorities of: • Making Disciples for Jesus Christ • Being Witnesses for Jesus Christ • Growing Leaders for Jesus Christ • Prioritising Work Among Children, Young People and Schools.
Over the course of 2020 the Diocese engaged in a 'Vision Update' through which we sought to identify what is going well and where the challenges are as we seek to realise our Vision of seeing
'Healthy Churches Transforming Communities'

Our updated Vision 2026 building blocks are:-

Making disciples of Jesus Christ

- Knowing the Scriptures better and equipping confident Christian disciples
- Praying with greater depth and urgency for the Kingdom of God to come
- Offering worship in Spirit and truth through the ministry of word and sacrament
- Giving generously of our time, talents and money to the cause of Christ

Being witnesses to Jesus Christ

- Sharing the Gospel with confidence
- Enabling human flourishing through social action
- Planting or renewing 10 strategic church plants and 200 new congregations
- Caring for God's creation

Growing leaders for Jesus Christ

- Developing a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Discerning and forming theologically literate lay and ordained leaders, rooted in prayer and with a deep love of the Lord Jesus
- Nurturing healthy partnerships between clergy and laity by fully implementing the Lay Majority Ministry Framework
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

Inspiring children and young people

- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Holding regular worship that is accessible and appealing to children, young people and their families.
- Enabling growth in the numbers of leaders of children and young people
- Pursuing a step change in work with those aged 11-16
- Facilitating effective partnerships between churches and local schools

The Diocesan Vision Prayer

Heavenly Father, we embrace Your call for us to make disciples, to be witnesses, to grow leaders and to inspire children and young people. Give us eyes to see Your vision, ears to hear the prompting of Your Spirit and courage to follow in the footsteps of your Son, our Lord and Saviour Jesus Christ. Amen

The Directors of the Blackburn Diocesan Board of Finance Limited (BDBF), who are the Trustees for the purpose of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2022.

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

This combined report satisfies the legal requirement for:
Directors' Report of a charitable company
Strategic Report under the Companies Act 2006 and
Trustees Annual Report under the Charities Act 2011

LEGAL OBJECTS

The BDBF's principal objective is to promote, assist and advance the work of the Church of England, primarily but not exclusively in the Diocese of Blackburn, by acting as the financial executive of the Blackburn Diocesan Synod.

The BDBF has the following statutory functions:

- The BDBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- The BDBF is custodian trustee in relation to PCC property.

STRATEGIC REPORT

STRATEGIC AIMS AND OBJECTIVES FOR THE YEAR
The main role of the BDBF is to identify and manage the financial aspect of the provision of the ministry within the Diocese, so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities in the Diocese.

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026. The Vision was launched in 2015 and over the course of 2020 the Diocese engaged with a "Vision Update" to identify what is going well and the challenges we have in realising our Vision.

The next phase of the implementation plan is available from our website at:
https://www.blackburn.anglican.org/vision-update.

The Directors are aware of the Charity Commission's published guidance on the public benefit requirement in general and, more particularly, in 'The Advancement of Religion for the Public Benefit' and have had regard to it in their administration of the BDBF.

The Directors believe that, by carrying out these objectives and in promoting the work of the Church of England in the Diocese of Blackburn, the BDBF helps 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 it provides 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, for the benefit of individuals and society as a whole.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Vision 2026 consists of the four major building blocks of the Vision and activities planned against each:

Making Disciples including:

- Developing Whalley Abbey as a centre for Christian Discipleship and Prayer with a resident praying community
- Enabling spiritual direction to be available to all, lay and ordained, across the diocese
- Production of diocesan seasonal daily devotional resources
- Further rolling out of the national Parish Giving Scheme and providing advice and training on the effective use of contactless giving and online giving.

In relation to our main objectives of **Making Disciples** of Jesus Christ we:

- Have added to the Making Disciples Team for the diocese, including a new Stewardship Resourcing Officer funded by the National Church and a Making Disciples Coordinator.
- Produced Lent and Advent Devotionals with a 10, 000 circulation of this high-quality resource.
- Hosted regular retreats & courses at Whalley Abbey including individual and guided retreats, walking, healing and quiet retreats as well as festival celebrations and supper clubs.
- Built on the progress already made with contactless giving and providing training & advice on digital giving.
- Take up by parishes of the Parish Giving Scheme continues to be encouraging with progress being made towards the target of 50% of parishes signed up by 2024. The introduction of one-off giving at the end of the year is proving to be particularly successful and an attractive tool for parishes.
- Spiritual direction proves to be an attractive avenue of discipleship, with 28 spiritual directors within the diocese and a training programme is in place to further develop these numbers.
- Relaunched the "Roots of Faith" diocesan discipleship programme, taught in person and online, covering topics such as 'Doctrine, Church History, Old Testament, New Testament.

Being Witnesses including:

- Internal and external investment to realise the vision of 10 Strategic Church Plants by 2026
- Coaching, networking and training as we press ahead to our goal of seeing 200 New Local Congregations by 2026
- Providing training and networks of support so that people are enabled to share their faith with confidence
- A suite of activities to enable human flourishing through social action
- Caring for God's creation with the aspiration to become an Eco-diocese in 2023

In relation to our main objectives of **Being Witnesses** to Jesus Christ:

- To realise our vision of 10 Strategic Church Plants, eight plants are now in place and are fruitfully building the Kingdom in their local areas; the most recent plant is situated in Leyland Deanery.
- To fulfil our goal of 200 New Local Congregations, coaching, networking and training events including the Beacon Course have resulted in more New Local Congregations starting. At the end of 2022, 102 congregations were in place.
- To enable people to share their faith with confidence, encouragement to pray for the building of the Kingdom together with training and network support has resulted in more nurture courses taking place across the diocese (76 noted). Opportunities to learn from Saints in the past have strengthened prayer individually and corporately. Training for mission and ministry through sport was offered in collaboration with the National Estates Churches Network, St Andrew's

Leyland, Ambassadors Football, Kick and Scripture Union. Church leaders are demonstrating creative ways to reach out using different media, eg. one church transformed their church building into Narnia and invited their local community to walk through the story and experience the good news in an interactive way.

- To enable human flourishing, healthy churches are living Kingdom values and providing rich treasures in numerous areas, across all age ranges, including: dementia support; debt counselling; addressing isolation; justice for those affected by human slavery; health, hospitality and wellbeing; healing; deliverance; job skills; housing; food banks; support for people on the margins; addictions, additional needs etc. Partnerships with others are growing. For example, the diocese collaborated with the Mothers' Union on a project that enables women to develop business skills in Burundi. £16,500 has been raised, to date, with funds still coming in.
- To promote caring for creation, Blackburn Diocese is registered as an Eco-diocese. A baseline for carbon emissions in our diocese has been established with support and encouragement provided to parishes to complete the Energy Footprint Tool as well as becoming Eco-Churches. A net zero carbon working group has been convened. Dr Ruth Valerio, Global Advocacy and Influencing Director at Tearfund, spoke at our Diocesan Conference. Training on Climate Resilience was provided for our diocese by the Church Buildings Council.

Growing Leaders including:

- Continued pursuit of the Lay Majority Ministry Framework
- Continued development of a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

In relation to our main objectives of Growing Leaders for Jesus Christ we:

- Continued the implementation of Lay Majority Ministry strategy
- Expanded the Authorised Lay Ministry (ALM) portfolio to ten ministry areas
- As of year end, 156 Authorised Lay Ministers have been commissioned in the first two years
- Expanded the M:Power programme to offer training in 2022/23 to 30 people in four locations (Accrington, Blackpool, Preston and Lower Darwen)
- Delivered four continuing ministerial education days for Authorised Lay Ministers and Licensed Lay Ministers
- Developed and launched a new integrated 5-year start of ministry programme to support clergy from ordination through to the end of the second year of their first incumbency
- Successfully obtained national funding for five additional curacies and four additional posts of first responsibility

Inspiring Children and Young People including:

- Pursuing a step change in work with those aged 11-18 supported by a new Youth Resourcing Church and diocesan-wide new learning communities
- Facilitating effective partnerships between churches and local schools
- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Supporting the creation of new or renewed toddler groups that share the Gospel

In relation to our main objectives of **Inspiring Children and Young people for Jesus Christ we:**

Commissioned the Board of Education to enable development through:

- Sustaining a new Learning Community for Youth Provision building on the Launchpad sessions delivered through the SDF3 resourcing church at St Luke's, Blackburn

- Delivering training to children's and youth workers across the diocese linked to the ALM programme for growing leaders
- Creating high quality resources and training to equip churches to minister to the young
- Creating high quality school resources for Religious Education, ethos and worship
- Training and supporting schools and churches to live out Vision 2026 by transforming communities.
- Investing in addressing structural injustice through the Equity, Diversity and Justice programme

Full details of the activities carried out are contained within Blackburn Diocesan Board of Education Trustee Report.

During 2022 the BDBF also:

- Carefully monitored spending and income for the diocese to ensure sustainability.
- Continued to encourage parishes struggling to meet their Parish Share requests to meet BDBF Directors, Archdeacons and BDBF Officers to discuss their challenges, constraints on their ability to contribute the Parish Share requested, and initiatives for ministry in a constructive and collaborative atmosphere.
- Engaged in regular Parish Share meetings to help parishes with difficulty in contributing share to agree a positive way forward.
- Where satisfied that there was a clear commitment by the parishes to strengthen their discipleship, stewardship and vision planning, and to meet an adjusted share contribution request, Parish Share meetings were able to reduce Share requests for a number of parishes from the parish support fund.
- Secured funding from the church commissioners in order to build capacity to support work on transforming the diocese.
- Consulted with deaneries through the Missional and Financial Flourishing programme of meetings designed to ensure that this a good understanding of what will transform mission and ministry in each area
- Supported parishes in their mission aspirations with grant funding from the Parish Vision Grant and Loan Fund.
- Continued the roll out of the extensive safeguarding training programme for clergy and parish officers.
- Administered a hardship support fund for clergy and church workers suffering financial hardship as a result of the cost of living crisis.

The actions outlined above were enabled through a range of administrative and legal functions ensuring that the priorities identified within Vision 2026 were facilitated whilst maintaining good governance.

Personnel

The Directors are thankful for everyone who contributes to the life of the Diocese and to the parishes for their continuing financial support. The directors would like to express particular thanks to all the staff serving the BDBF, to our clergy for their leadership during 2022 and to the PCCs for their ongoing commitment this last year. The Directors are thankful to God, for those parishes that continued to contribute their parish share in 2022 despite difficult economic conditions.

Related parties

- General Synod, Church Commissioners, Archbishops' Council and Church of England Pensions Board

  The BDBF must comply with Measures passed by the General Synod of the Church of England. It pays a donation based on an apportionment system for funding national training of ordinands and

the activities of the various national boards and councils, as well as General Synod. The BDBF receives a grant from funds managed by the Church Commissioners. The BDBF pays for clergy stipends through the Church Commissioners. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners.

The BDBF pays retirement contributions for stipendiary clergy and some employees to the Church of England Pensions Board.

- Parochial Church Councils (PCCs)

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

PCCs can influence decision-making within the BDBF at Diocesan Synod level through representations to those bodies and through the input of Deanery Synods.

- Blackburn Cathedral.

The Cathedral is a separate entity to the BDBF but is engaged in many shared missional aims and activities. The Cathedral is the seat of the Diocesan Bishop

- Blackburn Diocesan Board of Education

The Board of Education is a registered charity, which has responsibility for 195 Church schools across the Diocese and is responsible for the largest number of voluntary aided schools in the country. It provides pastoral and professional support to all its schools and has particular commitment to enhancing the quality of provision for Religious Education, collective worship and the spiritual, moral, social, and cultural development of all pupils. The Board of Education also supports parishes on children's work and youth work and has responsibility for chaplains in universities in the diocese.

- Church based Multi-Academy Trusts

There are three trusts that serve the diocesan church schools. These are Cidari (the diocesan trust), Learning Together Trust and The Bay Learning Trust. Each trust has members taken from corporate offices of the Church of England within the Diocese of Blackburn.

FUTURE PLANS

We will continue to work on the implementation of Vision 2026 and seek to apply for further National Church funding to support the mission and ministry of the diocese. This will include monies to transform the diocese following the missional and financial flourishing process, monies to support curacies and other funds that might meet the missional goals of the BDBF.

We will continue to support each strand of Vision 2026.

Making Disciples of Jesus Christ

- The Making Disciples team will help people to move on in their spiritual formation through:
- Knowing the scriptures better and equipping confident Christian disciples
- Praying with greater depth and urgency for the Kingdom of God to come
- Offering worship in Spirit and truth through the ministry of word and sacrament
- Giving generously of our time, talents and money to the cause of Christ

Being Witnesses to Jesus

The Being Witnesses team will encourage authentic witnesses in the following ways:

- Sharing the Gospel of Salvation with Confidence
- Enabling Human Flourishing through Social Action

- Planting 10 Strategic Church Plants (SCPs) and 200 New Local Congregations (NLCs) by 2026
- Caring for God's Creation

Growing Leaders for Jesus Christ
The Growing Leaders Team is committed to facilitating the supply of an abundance of theologically literate lay and ordained leaders who, with a ministry rooted in prayer and a deep love of the Lord Jesus, can support the growth of healthy churches and transform communities. The team will do this by:

- Developing a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Discerning and forming theologically literate lay and ordained leaders, rooted in prayer and with a deep love of the Lord Jesus
- Nurturing healthy partnerships between clergy and laity by fully implementing the Lay Majority Ministry Framework
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

Inspiring Children and Young people for Jesus Christ
We support the Diocesan commitment to Inspiring Children and Young people for Jesus Christ continuing in partnership with the Blackburn Diocesan Board of Education.

The DBE will enable and support parishes to inspire children and young people by:

- Nurturing Children and Young People in their Faith and Supporting them as Disciples of Jesus Christ
- Holding Regular Worship that is Accessible and Appealing to Children, Young People and their Families
- Enabling Growth in the Numbers of Leaders of Children and Young People
- Pursuing a Step Change in work with those aged 11-16
- Facilitating Effective Partnerships between Churches and Local Schools-continuing to support church schools and academies in the diocese

Full details of the future activities are contained within the BDBE Trustees report.

Enablers
There is additional work completed by the central team on missional and financial flourishing. This focusses on work with deaneries to look for opportunities for growth and direct work with parishes through the Parish Renewal programme.

In addition to our general support for parishes

- We will continue to ensure the central management of cases and training in relation to safeguarding at parish and diocesan level.
- We will continue to support parishes through Treasurer, Church Warden and Clergy training events during the year.
- We will continue to support parishes to contribute their parish share and support those in difficulty.

FINANCIAL REVIEW

Financial performance

The financial performance of the Charity in 2022 was considered satisfactory.

The operational deficit on the unrestricted funds was £0.061m and was met from free reserves.

	General	Designated	Total Unrestricted
	£'000	£'000	£'000
Total Income	8,677	149	8,826
Total Direct Expenditure	(3,440)	(78)	(3,518)
Net Income/ (Expenditure before investments	**5,237**	**71**	**5,308**
Expenditure in / transfers to other funds from unrestricted fund	(5,305)	(64)	(5,369)
Operational Surplus/ (Deficit)	**(68)**	**7**	**(61)**

The operational deficit excludes the movement on restricted funds £2,203,000, endowment funds (£2,152,000), net loss on unrestricted investments (£924,000) and other unrestricted recognised gains £179,000 included in the net movement in funds (£755,000).

Parish share, the money given by Parishes to the BDBF to fund the mission and ministry of the Diocese, was again the principal source of funding in 2022. This increased by £0.16m to £7.63m *(2021: £7.47m)*. The Directors thank parishes for their contributions during the year, and especially those parishes able to meet their share request in full and those that make their parish share payments by monthly instalments.

The provision for outstanding parish share at the year end is £7.42m *(2021: £7.05m)*.

Total income (including parish share) before revaluation adjustments totalled £16.99m *(2021: £13.47m)*, an increase of £3.52m. Included in the total income figure are gains on the disposal of fixed assets of £2.17m *(2021: £1.07m)*.

Expenditure amounted to £15.06m *(2021: £12.87m)*, an increase of £2.19m. Included in these figures are losses on disposal and impairment of fixed assets of £4,000 *(2021: £193,000)*.

The Statement of Financial Activities (SOFA) for the year shows net income of £1.94m *(2021: £0.60m)* before net gains and losses on the revaluation of investments. This is an increase of £1.34m on the previous year.

After revaluation adjustments, the net movement in total funds amounted to a reduction of £0.76m *(2021: increase of £2.37m)*, which results in a total fund balance of £72.43m *(2021: £73.19m)*.

The net movement in unrestricted funds is a reduction of £0.81m *(2021: an increase of £1.12m)*, which results in a general fund balance of £8.52m *(2021: £9.28m)* and designated fund balance of £2.98m *(2021: £3.03m)*. The net movement in unrestricted funds £0.81m is made up of the operational deficit £0.06m, the net loss on unrestricted investments £0.92m and other unrestricted recognised gains £0.18m.

Balance Sheet Position

While the net assets on the balance sheet total £72.43m (*2021: £73.19m*), included in this total are freehold land and buildings which are primarily used for ministry totalling £40.23m (*2021: £40.27m*). Much of the remainder is held in restricted or endowment funds. In 2022 the defined benefit pension deficit is zero (*2021: £0.38m is shown against general funds*).

Significant Property Transactions

During the year we purchased one future parsonage and three curate and associate vicar houses totalling £1.43m. Two of the houses were purchased from the restricted pastoral fund for £0.47m and two from endowment funds for £0.96m. Sale proceeds were received for four vicarages of £1.83m, five

curate houses of £1.55m and one worship centre £0.13m. The profit from the sales added £1.91m into restricted funds and £0.26m into endowment funds.

Investment Performance

The Charity does not receive its donations evenly throughout the year. Some donations or funding grants received are held for a period prior to them being required for expenditure. The charity utilises NatWest reserve accounts and CCLA for cash investments.

The Board requests a member of CCLA to annually attend a meeting of the Investment Committee to update them on the Board's investment position. The Investment Committee meets at least four times a year to review policy and performance. The Board invests in the CCLA Deposit, Investment and Property Funds which again performed satisfactorily over the year in the context of comparator benchmarks for the sector. Nevertheless 2022 was a difficult year in which the capital value of our investments fell by around 20%. This eliminated a significant part of the gains that had accrued in 2021. The Board also manages glebe on behalf of the BDBF.

The total value of investments and deposits (excluding cash and investment property) at 31 December 2022 was £25.53m *(2021: £28.35m)* and the return on investment was 2.9% *(2021: 2.6%).* (Income divided by average capital value).

The total value of investment property at 31 December 2022 was £1.80m *(2021: £1.86m)* and the return on investment was 1.8% *(2021: 1.7%).* (Net rental income divided by average capital value).

Investment Policies

The BDBF's investment policies are based on two key policies:

Ethical investment – the BDBF seeks to pursue an investment policy consistent with the values of the Christian faith. This is achieved by investing in CCLA who follow the policies of the Church of England's Ethical Investment Advisory Group which are kept under review by the Investment Committee. For the past few years, the Diocesan investment partner has operated a policy of not investing in industries that are directly or indirectly drawing revenue from fossil fuel activity. This policy is already in place and will continue to be going forward as we seek to meet a 2030 target.

Long-term responsibilities – the Directors are aware of their long-term responsibilities in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Investment policy for long-term funds is aimed primarily at generating a sustainable income with due regard to the need for preservation of capital value and the possible need to realise investments to meet operational needs. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible towards clergy stipends on an ongoing basis. Unrestricted and restricted funds are invested to balance income, liquidity and the reimbursement of capital.

Reserves Policy

The Directors have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. The BDBF has considerable responsibilities, including the remuneration and housing of, on average, 183 parochial stipendiary clergy and is reliant on the contributions from the parishes of the Diocese. The BDBF aims to maintain a level of free reserves for income risk of 4% of three years forecast budgeted parish share, DBF fees and rental income and at least three months' Parish Share budgeted expenditure as working capital. This will be held within the unrestricted funds (excluding fixed assets and clergy pension deficit). This is considered sufficient to cover short-term cash outflows, cushion non-receipt of Parish Share and any reduction of income from DBF Fees and rental income. The level of free reserves required for this policy is £4.87m.

This policy is reviewed annually considering the future and risks of the BDBF in its setting.

The level of free reserves at 31 December 2022 was £6.84m; this is in excess of the policy by £1.97m. This excess will to be used to fund the budgeted deficits for 2023 and 2024. In addition to this the charity is looking to bid for strategic mission and ministry investment funding from National Church in early 2024. The Directors are confident in the steps taken to ensure the future going concern of the organisation.

There are several designated funds totalling £2.98m and the material ones are listed in note 24 on pages 43 and 44. These funds are, in the main, held to fund future opportunities for the BDBF. They are reviewed regularly for appropriateness and levels.

The BDBF also administers a number of restricted and endowment funds that are held in specific trusts under charity law and are not available for general purposes. As at 31 December 2022 restricted funds totalled £13.19m and endowment funds totalled £47.74m. A description of each reserve, together with the intended use of the fund is set out in notes 25 and 26 of the financial statements on pages 44 to 46.

Grant making policy

Grants are made to the National Church to cover a proportion of its central costs and the cost of training for ministry (see note 10 to the financial statements). Grants are paid to other connected charities and to other charitable projects which appear to the Board to support the furtherance of the BDBF's objectives (see note 16 to the financial statements).

Fundraising

Most of the funds raised by the BDBF are from other charities. We provide support and advice to parishes with their fundraising and raise some funds for other charities as part of the Bishop's Harvest appeal or from the congregation at Visitations. At Ordination services funds raised for the BDBF are restricted to support those undergoing ordination training. We encourage online giving by the use of give.net. There is minimal fundraising from the public by the BDBF and this is normally at church services, not by direct marketing or using external fundraisers. We have not received any complaints from the public in relation to our fundraising activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors of the charitable company have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the directors
- regular consideration of financial results and cash flows
- regular review of internal controls
- delegation of authority and segregation of duties
- regular review and update of risk assessments
- scheme of delegation

The Directors have a programme of risk management to assess and document business risks and implement risk management strategies. This involves assessing the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process draws on ongoing consideration of business risk, which already forms a significant aspect of the Directors' duties, scrutiny by the Audit, Risk and Governance Committee (ARG) and of the annual meeting with the Auditors, to discuss financial and internal control issues. There is no internal audit function as it is not considered an efficient use of the resources of the charity. The risk register has been fully restructured to ensure better monitoring of risk and cascaded responsibility for risk management by department. The risk register continues to be reviewed on a six-monthly basis by the ARG and material changes notified to the directors.

Key Risks

The key risks, which may impact on the charitable company, include:

1. A decline in the payment of Parish Share – the risk is that the BDBF is unable to meet its objectives due to financial constraints. This may be exacerbated by the ongoing debates around Living in Love and Faith and the threat of parishes withholding parish share in consequence.
   Existing pressures are:

- energy costs for parishes
- inflationary costs causing rises to share that are not affordable
- cost of meeting the carbon net zero aspiration

Existing Controls

- regular monitoring and meetings with those parishes who need help to meeting their assessment
- provision for the shortfall built into the budget
- pastoral reorganisation to ensure affordability

- focus on stewardship
- free reserves policy

2. A continuing reduction in regular weekly attendance – the risk is that parishes will become increasingly unable to pay parish share due to a reduced number of parishioners contributing to their finances; the BDBF is therefore unable to meet its objectives due to financial constraints. A key aim of Vision 2026 is to grow the number of people regularly attending their parish church.
3. Insufficient care for those who are survivors of abuse or those under investigation leading to self-harm.
4. Challenges over recruitment to multiple roles and potential over work of existing employees could lead to more vacancies and operational failures as well as workforce sickness absence.

STRUCTURE, GOVERNANCE AND MANAGEMENT

SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND
The Church of England is the established church with HM The King as the Supreme Governor.

It is organised into two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that geographical area.

A diocese is divided into archdeaconries, deaneries, benefices and parishes. Benefices may comprise single or multiple parishes and are overseen by a parish priest (usually called a vicar, rector or priest-in-charge). The parish priests are responsible for the 'cure of souls' in their parish.

The Church of England is governed nationally by General Synod as its legislative and deliberative body. It comprises ex-officio and elected representatives from each diocese, and it agrees and lays before Parliament measures for the governance of the church's affairs, which, if enacted by Parliament, have the force of statute law. Blackburn Diocese currently has 5 elected clergy members and 6 elected lay members of General Synod. They were elected in 2021 for a period of five years.

In addition to the General Synod, the Archbishops' Council has a coordinating role for the work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and some lay workers.

Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that leadership as Bishop in the Diocesan Synod which is the statutory governing body of the Diocese.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

The Diocese of Blackburn was created in 1926. It has an area of 988 square miles and encompasses Lancashire with a few parishes in Wigan Metropolitan Borough. The overall population is approximately 1.3 million within urban and rural areas.

The Diocese of Blackburn has two archdeaconries (Blackburn and Lancaster), each the responsibility of an archdeacon. Each archdeaconry has seven deaneries with a number of benefices/parishes grouped geographically. An area dean has oversight of the deanery and each deanery has its own synod. Within each parish there is a body called the parochial church council which is made up of parish priest as chair, the churchwardens, curate and Licensed Lay Ministers if applicable, and a number of elected members. Each parochial church council is a separate charity.

The Cathedral is the mother church of the Diocese, an ecclesiastical corporation until it is certified by the Church Commissioners under the Cathedrals Measure 2021 as a charity. The Cathedral is separate from the BDBF. Copies of its trustees' report and financial statements may be obtained from the Cathedral Offices, Cathedral Close, Blackburn BB1 5AA.

ORGANISATIONAL STRUCTURE
The BDBF was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 29 October 1927 as a charitable company limited by membership guarantees (No

225457) and its governing documents are the Memorandum and Articles of Association. The BDBF is registered with the Charity Commission (No 247647). The Charity is a limited by guarantee company and statutory accounts are filed annually with Companies House and Charity Commission.

The members of the company comprise the Diocesan Bishop, each member for the time being of the Blackburn Diocesan Synod, including sufficient co-opted lay members in order to ensure that there is a majority by one of lay membership. Many of Diocesan Synod's responsibilities have been delegated to the Bishop's Council and standing committee.

The members of Bishop's Council are the Board of Trustees for the charity and in company law the Directors.

The Directors comprise six ex-officio members: the Diocesan Bishop, the Suffragan Bishops, the two Archdeacons, the Dean of Blackburn Cathedral. Four ex-officio elected positions: the Chairs and Vice Chairs of the Houses of Clergy and Laity of Diocesan Synod. Three ex-officio appointed positions: the Chair and Vice Chair of the Board of Finance and the Chair of the Property Committee. The elected members are 4 clergy, 2 from each archdeaconry, elected by the House of Clergy and 8 lay members, 4 from each archdeaconry, elected by the House of Laity. Two members may be co-opted with the approval of the directors. Elections also took place in 2021 for the triennium starting 1 January 2022

Governance and policy of the BDBF is the responsibility of the directors.

Corporate priorities and the overall financial strategy for the BDBF, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Blackburn, are agreed by the Directors and confirmed by Diocesan Synod.

The responsibility for ensuring that these priorities and strategies is delivered are delegated to the Vision Area Leaders.

The members of the company meet once a year in the general meeting to receive the annual report and financial statements. The Diocesan Synod each year receives and agrees the parish share budget, prepared and approved by the Directors. The Directors meet during the year to formulate and coordinate policies on mission, ministry and finance.

Some role names in the company incorporate the title 'Director' but, for the purposes of company law, are not directors of the company.

Diocesan Synod has delegated the following functions to the Directors of the BDBF:

- transacting the business of the Diocesan Synod when not in session
- management of the funds and property of the Diocese
- preparation of the annual Parish Share Budget
- 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; and
- carrying out any other functions delegated by Diocesan Synod.

Statutory ecclesiastical boards and committees:

The Diocesan Mission and Pastoral Committee is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It is also responsible for finding appropriate alternative uses for churches which are closed for public worship.

The Diocesan Advisory Committee advises on matters affecting parishes including churches and places of worship on matters such as 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.

The Parsonages Board: the BDBF is designated as the Parsonages Board for the Diocese for the purpose of exercising the Parsonages Board's functions under the Repair of Benefice Buildings Measure 1972.

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

Non-statutory committees:

The Strategic Programme Board is responsible for the oversight of each of the Strategic Development Fund project boards. These project boards are accountable for the spend of church commissioner grant funding and diocesan funds on project activities and the impact of these projects in line with the aims and objectives. The programme board scrutinises the work of the project boards in line with the overall objectives of the diocese and diocesan vision.

Diocesan Safeguarding Advisory Panel has a Chair independent of the Directors and is an advisory body offering external oversight and scrutiny to the diocese with regard to safeguarding.

The Finance Committee is responsible for the transaction of some of the business of the BDBF. Within delegated limits it can approve grants and other support and makes recommendations to the Directors in other cases. The membership of the Committee consists of the Chair and Vice Chair of the Board of Finance, the Diocesan Bishop the two Archdeacons and the Chair of the Property Committee. The BDBF Directors can co-opt up to six members on the basis of their expertise, of whom a minimum of 3 must be members of Bishop's Council and Directors of the BDBF.

The Property Committee is responsible for making major decisions concerning the management of parsonage and other houses owned by the BDBF, including setting the policy for their purchase, sale, repair and maintenance. The committee has delegated authority to authorise repairs within an agreed budget and to buy and sell property and land vested in the Board of Finance for diocesan purposes. It is also responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Blackburn Diocesan Stipends Fund.

The Investment Committee meets on a regular basis to consider diocesan investments, to adjust the portfolio within parameters agreed by the Directors and to make recommendations to the Directors.

The Audit, Governance and Risk Committee has a Chair independent of the Directors and is responsible for assisting the Directors in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

The HR Committee deals with sensitive and other matters in relation to employed staff which cannot be considered by the full Board, partly because of their confidential nature and partly because of time pressures and includes two directors (one lay and one clergy) and four members co-opted for their HR expertise. It has delegated authority to approve most HR policies.

The Budget Scrutiny Committee assists the Bishop's Budget team in drawing up the annual draft budgets for approval by the Directors prior to submission to Diocesan Synod.

Directors' induction

Directors are given an induction file when first appointed. Explanations are given in Directors' meetings to provide continuing training and Directors are encouraged to ask questions in order to develop their understanding of the charity. If additional information is required, it is brought to the attention of directors and the directors' induction file updated accordingly. Directors undertake training at the start of each triennium.

Remuneration of key management personnel

The salary scale of the Diocesan Secretary is determined by the Chair of the BDBF and the Diocesan Bishop following advice from the HR Committee. Any annual award is in line with the other employed staff salary increase.

The salary levels of other key management personnel and all further posts are set by a job evaluation system. Annual pay increases are considered and approved as part of the budgeting process. They are considered by the HR Committee prior to implementation. An adjustment, if required would be recommended to the Board of Finance.

Funds held as custodian trustee

The BDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the BDBF does not control them and these assets are held separately to those of the BDBF.

PCC trust investment assets held by the BDBF had a market value of £15.42m at 31 December 2022 (*2021: £17.30m*) Detailed certificates of holdings were sent to parishes (c. 1,500 accounts) and other managing trustees of the respective charities as requested at that date. Details of these investments are summarised in note 29.

DIRECTORS' RESPONSIBILITIES

The Directors, who are also the Trustees, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the BDBF and of the surplus or deficit of the BDBF for that period. In preparing these financial statements the Directors 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 Directors are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the BDBF and enable them to ensure that the financial statements comply with the Companies Act 2011. They are also responsible for safeguarding the assets of the BDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the BDBF's website. Legislation in England/Wales governing the preparation and dissemination of 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 Directors are aware:

a. there is no relevant audit information of which the charitable company's auditors are unaware and

b. we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of than information.

APPOINTMENT OF AUDITOR
The re-appointment of Haysmacintyre LLP as auditors to the BDBF will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

Registered Address	Diocesan Offices, Clayton House, Walker Office Park, Blackburn BB1 2QE	
Trustees/Directors		
Ex-Officio	Rt Revd J T Henderson	(resigned 31 August 2022)
	Rt Revd P J North	
	Rt Revd J L C Duff	
	Very Revd P Howell-Jones	
	Ven M C Ireland	
	Ven D Picken	
Ex-Officio elected position	Mr R J Collins	
	Mr T D Cox	
	Revd P A Lillicrap	
	Revd Munawar Din	(appointed 01 January 2022)
Ex-Officio appointed	Mr D Barlow	
	Mr N P Aves	
	Revd Canon A G Sage	(resigned 14 December 2022)
Elected Clergy	Revd Dr R B Aechtner	(appointed 01 January 2022)
	Revd Canon S Cox	(appointed 01 January 2022)
	Revd Canon A Holliday	
	Revd Canon A S Horsfall	(appointed 01 January 2022)
Elected Lay Persons	Dr A Carter	
	Professor R Carter	
	Mr M Gardner	
	Mr P J Ronson	(appointed 01 January 2022)
	Ms J M Stamper	
	Mr D J Wilkinson	
	Mrs Alison Wynne	(appointed 01 January 2022)
Key management personnel and advisers		
Diocesan Secretary	Canon S Whittaker (Interim from 10 January 2022; appointed to position on 10 March 2023)	
Deputy Diocesan Secretary and Head of Finance, Company Secretary	Mrs R McGaughey	
Solicitors	Anthony Collins, 134 Edmund Street, Birmingham. B3 2ES	
Insurers	Ecclesiastical Insurance Office, Beaufort House, Brunswick Road, Gloucester GL1 1JZ	
Bankers	National Westminster Bank, 35 King William St, Blackburn BB1 7DJ	
Investment Asset Managers	CCLA Investment Management Ltd, Senator House, 85 Queen Victoria St, London EC4V 4ET	
Registered Auditor	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG	
Glebe and Land Agent	Ingham & Yorke, Huntroyde Estate Office, Padiham, BB12 7QX	

ATTENDANCE OF DIRECTORS AT MEETINGS IN 2022

		Total
Ex-Officio	Rt Revd J T Henderson	3/5
	Rt Revd P J North	6/7
	Rt Revd J L C Duff	5/7
	Very Revd P Howell-Jones	1/7
	Ven M C Ireland	3/7
	Ven D Picken	7/7
Ex-Officio elected position	Mr R J Collins	7/7
	Mr T D Cox	6/7
	Revd P A Lillicrap	5/7
	Revd Munawar Din	5/7
Ex-Officio appointed	Mr D Barlow	7/7
	Mr N P Aves	7/7
	Revd Canon A G Sage	4/7
Elected Clergy	Revd Dr R B Aechtner	5/7
	Revd Canon S Cox	5/7
	Revd Canon A Holliday	7/7
	Revd Canon A S Horsfall	7/7
Elected Lay Persons	Dr A Carter	6/7
	Professor R Carter	6/7
	Mr M Gardner	4/7
	Mr P J Ronson	7/7
	Ms J M Stamper	5/7
	Mr D J Wilkinson	7/7
	Mrs Alison Wynne	5/7

By order of the Board approving both the Directors' Report and Strategic Report

Mr D Barlow
Chair of the Board of Finance

Mr N P Aves
Vice-chair of the Board of Finance

09 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

Opinion

We have audited the financial statements of The Blackburn Diocesan Board of Finance Limited for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and concluded that the risk was low. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

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

Use of our report

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

Adam Halsey
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 21 September 2023

10 Queen Street Place
London EC4R 1AG

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2022

	Note	Unrestricted funds: General £000	Unrestricted funds: Designated £000	Restricted funds £000	Endowment funds £000	Total funds 2022 £000	Total funds 2021 £000
Income and endowments from:							
Donations and legacies							
Parish contributions		7,626	-	-	-	7,626	7,469
Archbishops' Council and Church commissioners	2	255	-	4,624	-	4,879	2,751
Other	3	115	136	107	-	358	317
Charitable activities: statutory fees, chaplaincy and other income	4	190	-	534	-	724	728
Other trading activities	5	216	-	221	-	437	377
Investments	6	275	13	515	-	803	732
Other	7	-	-	1,908	257	2,165	1,094
Total Income and endowments		8,677	149	7,909	257	16,992	13,468
Expenditure on:							
Raising funds	8	301	-	18	-	319	264
Charitable activities	9	3,139	78	11,516	-	14,733	12,410
Other		-	-	-	4	4	193
Total Expenditure	10	3,440	78	11,534	4	15,056	12,867
Net income/(expenditure) before investments		5,237	71	(3,625)	253	1,936	601
Net (loss)/gains on investments	18	(866)	(58)	(37)	(1,909)	(2,870)	3,097
Net income/(expenditure) before transfers		4,371	13	(3,662)	(1,656)	(934)	3,698
Transfers between funds	12	(5,305)	(64)	5,865	(496)	-	-
Net income/(expenditure) before other recognised gains and losses		(934)	(51)	2,203	(2,152)	(934)	3,698
Other recognised gains/(losses)							
Gain/(loss) on revaluation of fixed assets	18	-	-	-	-	-	253
Gain/(loss) on defined benefit pension schemes		179	-	-	-	179	(22)
Net movement in funds		(755)	(51)	2,203	(2,152)	(755)	3,929
Reconciliation of funds							
Total funds at 1 January 2022		9,275	3,033	10,987	49,894	73,189	69,260
Total funds at 31 December 2022		8,520	2,982	13,190	47,742	72,434	73,189

All activities derive from continuing activities. The notes on pages 25 to 55 form part of the financial statements.

Details of comparative figures (2021) for the Statement of Financial Activities by fund are disclosed in note 30.

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2022

	2022 £000	2021 £000
Total income	**16,735**	13,263
Total expenditure	**(15,052)**	(11,475)
Operating surplus/(deficit) for the year	**1,683**	1,788
Net (losses)/gains on investments	**(961)**	1,025
Net income for the year	**722**	2,813
Other comprehensive income:		
Net assets transferred from endowments	**496**	1,027
Actuarial gains/(losses) on defined benefit pension schemes	**179**	(22)
Total comprehensive income	**1,397**	3,818

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

BALANCE SHEET

at 31 December 2022

	Note	2022		2021	
		£000	£000	£000	£000
Fixed Assets					
Tangible Assets	17	40,225		40,271	
Investments	18	21,814		24,694	
Investment Property	18	1,799		1,861	
			63,838		66,826
Current assets					
Stocks		1		1	
Debtors (amounts receivable after more than one year: £14,000 (2021:£ 508,000))	19	2,225		2,018	
Deposits and Cash at bank and in hand		8,055		6,202	
		10,281		8,221	
Creditors: amounts falling due within one year	20	(1,528)		(900)	
Net current assets			8,753		7,321
Creditors: amounts falling due after more than one year	20	(157)		(575)	
Provisions for liabilities: Pensions and similar obligations	20	-		(383)	
			(157)		(958)
Net Assets	23		72,434		73,189
Capital and Reserves					
Endowment funds (Including investment revaluation reserve of £7,329,000 (2021: £9,262,000))	26		47,742		49,894
Restricted funds (Including investment revaluation reserve of £15,000 (2021: £52,000))	25		13,190		10,987
Unrestricted funds - General (Including investment revaluation reserve of £3,494,000 (2021: £4,359,000))	24		8,520		9,275
Unrestricted funds - Designated (Including investment revaluation reserve of £216,000 (2021: £274,000))	24		2,982		3,033
			72,434		73,189

The notes on pages 25 to 55 form part of the financial statements.

These financial statements were approved by the Directors and were signed on their behalf on 09 September 2023 by:

Mr D Barlow
Chair of the Board of Finance

Mr N P Aves
Vice-chair of the Board of Finance

The Blackburn Diocesan Board of Finance Ltd is a company limited by guarantee registered in England and Wales (no. 225457)

CASH FLOW STATEMENT

for the year ended 31 December 2022

	2022 £000	2022 £000	2021 £000	2021 £000
Net income before other recognised gains and losses	1,936		601	
(Gains)/Losses on disposal of fixed assets	(2,165)		(957)	
(Gains)/Losses on disposal of investments	3		(19)	
Depreciation	57		159	
Decrease/(increase) in stock	-		4	
(Increase)/decrease in debtors	(636)		(752)	
(Decrease)/increase in creditors current liabilities	210		199	
Movement in pension commitment	(204)		(329)	
Cash (outflow)/ inflow from operating activities		(799)		(1,094)
Net income from investing activities				
Purchase of tangible fixed assets	(1,504)		(2,301)	
Proceeds of sale of fixed assets	3,660		3,334	
Purchase of investments	(15)		(12)	
Proceeds of sale of investments	82		149	
Net cash inflow/(outflow) from investing activities		2,223		1,170
Net cash inflow/(outflow) from financing activities				
Repayments of borrowing	-		(132)	
Loan repayments received	430		62	
New loans made	(1)		(81)	
Net cash inflow/(outflow) from financing activities		429		(151)
(Decrease)/increase in cash in the year		1,853		(75)
Cash and cash equivalents at the beginning of the year		6,202		6,277
Cash and cash equivalents at the end of the year		8,055		6,202

Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand and at bank	4,337	2,542
Short term deposits	3,718	3,660
	8,055	6,202

The notes on pages 25 to 55 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities SORP (Second Edition, effective 1 January 2019) and applicable accounting standards FRS102, and under the historical cost convention adjusted for the revaluation of certain fixed assets.

The Directors are satisfied that there are no material uncertainties about the charitable company's ability to continue in operational existence for the foreseeable future. The Trustees believe they have sufficient reserves to allow time to adjust the operations of the charitable company to meet changed circumstances relating to inflation and energy costs. Accordingly, they continue to adopt the going concern basis in preparing the Trustees' annual report and financial statements.

The Directors believe that the charitable company is a public benefit entity.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, 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 reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and the assumptions used in determining the value of the pension scheme deficit.

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

Fixed assets and depreciation

Assets with a value in excess of £500 are capitalised. Depreciation is provided for on the jointly owned Diocesan Offices and Whalley Abbey Retreat and Conference House. No other depreciation is provided on the charitable company's freehold buildings including parsonage houses (explanation regarding parsonage houses is included in note 18) as the depreciation charge is immaterial. Freehold land is not depreciated.

As it is the charitable company's policy to maintain houses to a high standard, in accordance with a planned approach to repair and maintenance, such properties maintain residual disposal values in aggregate at least equal to their book values.

The charitable company will perform annual impairment testing of assets on which depreciation is not provided to determine whether residual values of housing properties in aggregate continue to exceed carrying value.

The Company holds all Heritage assets at an accurate valuation wherever possible. Where not possible they are held at depreciated value.

Depreciation is provided to write off the cost less the estimated residual value of other tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold property	30 years or, if shorter, the remainder of the lease term
Diocesan Offices	50 years on property
	20 years on remodelling
Whalley Abbey Retreat and Conference House	15 years to a residual value of £500,000
Fixtures, fittings and office equipment	4-10 years
Heritage asset	15 years

Fixed asset investments

Fixed asset investments are stated at market value at the balance sheet date. Movements in market value arising during the year are shown as unrealised gains or losses on fixed asset investments in the Statement of Financial Activities.

Investment properties

Investment properties are included at their fair value.

Glebe land is recognised as held for investment purposes when it is held to rent out or there is a signed developers agreement.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Income

Parish contributions

Income includes amounts received from Parochial Church Councils in respect of parish share for general, stipends fund and parsonage house fund assessments. Parish share is recognised in the accounts when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

Income from Archbishops' Council and Church Commissioners

Money from National Church Institutions is recognised when entitlement is probable.

Other donations, grants, legacies and similar income

Grants and donations receivable towards the cost of additions or improvements to freehold buildings are credited to income in the period to which they relate. Other grants are recorded as income when entitlement is probable. Other donations are recorded as income when received.

Other trading activities

The income from these sources is recognised on an accruals basis

Investment income

Investment income is recognised on an accruals basis.

Expenditure

Expenditure has been charged to the Statement of Financial Activities on an accruals basis. Expenditure relating directly to the objectives of the charity is shown as direct charitable expenditure.

Grants payable

Grants payable are debited to expenditure when the charitable company has a constructive obligation to pay.

Ministry in Parishes

Ministry in Parishes includes the stipends, NI, pensions, housing costs and any direct expenses paid by the charitable company for ministers located in parishes.

Ministry Support

Ministry Support includes the costs of the charitable company that provide either a direct service to the parishes or to the community of the parish. It also includes the National Training costs paid to National Church for the training of Ordinands and the costs of Whalley Abbey the retreat house of the Diocese.

Support and Governance Costs

Governance costs includes audit fee, trustee meeting expenses, Diocesan Synod expenses, Bishop's Council expenses and an allocation of costs based on estimated time spent preparing statutory information and for governance/ strategic issues, by the Finance Team, Diocesan Secretary and Support Services Team.

Support includes the costs of the finance team and general management not included under Governance costs. Support costs have been allocated based on an estimate of time spent in each area.

Taxation

The Blackburn Diocesan Board of Finance Limited (by guarantee) is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in independently administered funds. The amount charged in the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

The charitable company also participates in the Church Workers Pension Fund and the Church of England Funded Pension Scheme (see note 15). The assets of the defined benefit pension schemes are held separately from the charitable company in independently administered funds. The pension costs charged as expenditure represent the BDBF's contributions paid in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which the BDBF participates is accrued at current value.

Fund accounting

Funds held by the charitable company are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Unrestricted designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds - this is capital, held in perpetuity to create income for specified purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

2. Archbishops' Council and Church Commissioners

	Unrestricted fund		Restricted	Endowment	Total funds	Total funds
	General	Designated	funds	Funds	2022	2021
	£000	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,402	-	1,402	1,355
Energy Costs Grant	-	-	431	-	431	-
Resourcing Ministerial Education Block Grant	-	-	221	-	221	212
Strategic Ministry Fund	-	-	379	-	379	213
Strategic Capacity Funding	255	-	16	-	271	88
Strategic Development Funding	-	-	2,103	-	2,103	853
Clergy hardship grant	-	-	72	-	72	-
Past Cases Review 2 Funding	-	-	-	-	-	30
	255	-	4,624	-	4,879	2,751

3. Other donations

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2022	2021
	£000	£000	£000	£000	£000	£000
Benefact Trust	45	120	-	-	165	156
Donations	21	16	28	-	65	69
Other Grants	39	-	79	-	118	92
Legacies	10	-	-	-	10	
	115	136	107	-	358	317

4. Charitable activities

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2022	2021
	£000	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	-	-	494	-	494	506
Church Commissioners - Guaranteed annuities	-	-	1	-	1	1
Recharge of staff costs	-	-	39	-	39	68
Whalley Abbey Conference House	141	-	-	-	141	57
Income for training courses	5	-	-	-	5	36
Other fees/sales	44	-	-	-	44	60
	190	-	534	-	724	728

5. Other trading activities

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2022	2021
	£000	£000	£000	£000	£000	£000
Rental Income	63	-	221	-	284	284
Whalley Abbey Conference House	133	-	-	-	133	38
Accounting and Legal services	19	-	-	-	19	18
Consultancy services	-	-	-	-	-	36
Other fees/sales	1	-	-	-	1	1
	216	-	221	-	437	377

6. Investment income

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2022	2021
	£000	£000	£000	£000	£000	£000
Dividends receivable	231	13	470	-	714	699
Interest receivable	44	-	12	-	56	2
Rents receivable	-	-	33	-	33	31
	275	13	515	-	803	732

7. Other income

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2022	2021
	£000	£000	£000	£000	£000	£000
Gains on disposal of fixed assets	-	-	1,908	257	2,165	1,050
Gains on disposal of investments	-	-	-	-	-	19
Loan interest	-	-	-	-	-	25
	-	-	1,908	257	2,165	1,094

8. Cost of raising funds

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2022	2021
	£000	£000	£000	£000	£000	£000
Project Management	59	-	-	-	59	12
Parish share						
Secretariat	17	-	-	-	17	12
Archdeacons	-	-	4	-	4	6
Investment Management Costs	20	-	-	-	20	4
Whalley Abbey Rents	6	-	-	-	6	41
Rents	-	-	14	-	14	34
Fundraising Trading Whalley Abbey	180	-	-	-	180	102
Fundraising Trading other	19	-	-	-	19	53
	301	-	18	-	319	264

9. Expenditure on charitable activities

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2022	2021
	£000	£000	£000	£000	£000	£000
Contributions to Archbishops' Council						
Training for ministry	302	-	-	-	302	302
National Church responsibilities	185	-	-	-	185	211
Grants and provisions	25	-	-	-	25	26
Mission Agency pension contributions	13	-	-	-	13	13
Retired clergy housing costs (CHARM)	114	-	-	-	114	111
Pooling of ordinand candidates costs	7	-	-	-	7	37
General Synod expenses	11	-	-	-	11	10
	657	-	-	-	657	710
Parish ministry						
Stipends & National Insurance	-	-	5,031	-	5,031	4,665
Pension contributions	-	-	1,435	-	1,435	1,347
Housing costs	45	-	1,543	-	1,588	1,555
Removal, resettlement and other grants	-	-	223	-	223	232
Other expenses	-	4	62	-	66	75
	45	4	8,294	-	8,343	7,874
Support for parish ministry	1,839	32	-	-	1,871	1,652
Whalley Abbey Conference House	239	-	-	-	239	192
Redundant churches	-	-	78	-	78	73
Strategic Development Funding Projects	-	-	2,083	-	2,083	720
St Philip's Centre Project	-	-	51	-	51	36
Grants to Parishes, Individuals and Other Charities	-	42	1,010	-	1,052	788
Miscellaneous Expenses	-	-	-	-	-	28
	2,078	74	3,222	-	5,374	3,489
Expenditure on education						
Grants for the work of the Board	359	-	-	-	359	337
	359	-	-	-	359	337
Charitable activities	3,139	78	11,516	-	14,733	12,410

10. Analysis of expenditure including allocation of support costs

	Activities undertaken directly £000	Grant funding of Activities £000	Manage-ment Admin Support £000	Total 2022 £000	Total 2021 £000
Cost of raising funds	282	-	37	319	264
Contributions to Archbishops' Council	11	646	-	657	710
Parish Ministry	8,120	223	-	8,343	11,363
Support for Parish Ministry	3,397	1,225	752	5,374	-
Education	-	359	-	359	337
Other	4	-	-	4	193
	11,814	2,453	789	15,056	12,867

11. Analysis of support costs

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General £000	Designated £000	Funds £000	Funds £000	2022 £000	2021 £000
Raising Funds	33	-	4	-	37	30
Central Administration	577	-	-	-	577	759
Governance costs						
Secretariat	29	-	-	-	29	71
Accounting and Finance Office	42	-	-	-	42	38
Audit & accountancy fees	28	-	-	-	28	23
Diocesan Synod costs	7	-	-	-	7	7
DBF Directors and Bishop's Council Meetings	6	-	-	-	6	12
Chancellor and Registrar Fees	67	-	-	-	67	57
	789	-	4	-	793	997

12. Analysis of transfers between funds

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2022
	£000	£000	£000	£000	£000
From general fund to stipends income fund (restricted) and housing fund (restricted), to cover the deficits on net expenditure of those funds	(5,327)	-	5,327	-	-
From Pastoral Fund to Parsonages Fund – transfer costs of parsonages bought	-	-	(5)	5	-
From Parsonages Fund to Pastoral Fund – book value of parsonages transferred to the BDBF for disposal by pastoral schemes	-	-	501	(501)	-
From Vision 2026 fund (designated) to general fund for the Vision Director post	23	(23)	-	-	-
From Diocesan Vision 2026 Strategic Development fund to general fund and Housing fund to cover loss of income from houses used for projects	18	(38)	20	-	-
From general fund to designated for Whalley Abbey	(19)	19	-	-	
From released endowment fund to restricted funds for parish Vision projects	-	(22)	22	-	-
	(5,305)	(64)	5,865	(496)	-

The funds that have been transferred have been used in line with any applicable restrictions and have been transferred to make the presentation of the expenditure more transparent. The spending of the funds has extinguished any restrictions.

13. Net income for the year

These are stated after charging:	2022 £000	2021 £000
Fees payable to the auditor for audit services	25	20
Fees payable to the auditor for non audit services	-	2
Whalley Abbey Conference House Trading Deficit	78	164

14. Staff numbers and costs

The average number of people employed during the year was 56.7 *(2021: 42.5)*.

The full-time equivalent employees during the year, including sessional workers, has been analysed by teams.

	2022	2021
Enablers and Obligations	25.8	19.5
Growing Leaders	6.7	4.3
Making Disciples	1.5	1.1
Being Witnesses	1.0	1.0
Being Witnesses – parish workers	6.8	4.7
Area Deans Admin	0.9	-
Whalley Abbey Conference House	6.8	3.8
	49.5	34.4

The aggregate payroll costs of all employees were as follows:

	2022 £000	2021 £000
Wages and salaries	1,387	1,136
Redundancy and settlement payments	-	94
Social security costs	126	108
Other pension costs	195	182
Other benefits	7	-
	1,715	1,520

There was no employee whose salary was in excess of £60,000 in the band £60,000 to £70,000 (*2021: one employee in the band £110,000 to £120,000*).

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 2022 they were:

Diocesan Secretary:	Canon Stephen Whittaker
Deputy Diocesan Secretary and Company Secretary	Mrs Ruth McGaughey

Remuneration, pensions and expenses for these 2 employees amounted to £157,286 (*2021: £282,903 for 2 employees*). The Diocesan Secretary remuneration was split between the Board of Finance and the Board of Education. Only the Board of Finance element 05/22 to 12/22 is shown here.

In addition to the foregoing numbers of persons employed by the charitable company in 2022 there were 172.6 (*2021: 165.8*) full time equivalent stipendiary clergy in post in the Diocese. These may be analysed as follows:

	2022	2021
Archdeacons	2.0	2.0
Incumbents	135.3	133.6
Assistant Curates	34.3	29.2
Lay Workers	1.0	1.0
	172.6	165.8

The average number of stipendiary clergy in post during 2022 was 183.5 (*2021: 180*).

Although not employed by the charitable company the payroll costs of the above persons are met by the charitable company and are included in the financial statements. The aggregate payroll costs of the above persons are as follows:

	2022 £000	2021 £000
Stipend	4,648	4,403
Redundancy and settlement payments	108	9
Social security costs	380	349
Apprenticeship Levy	21	20
Pension costs - current year	1,435	1,381
- interest costs	-	1
	6,592	6,163

Trustees' emoluments

	Average number of directors 2022	2021
Directors	23	23

No trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £17,218 (*2021 - £9,922*) in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Trustees.

Trustees who are also licensed stipendiary clergy and archdeacons in the Diocese were in receipt of a stipend and housing provided by the BDBF during the year. The BDBF is also responsible for the provision of housing for the Suffragan Bishops but excluding the Diocesan Bishop and cathedral staff.

15. Pension schemes

Church of England Funded Pension Scheme

The BDBF 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 Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

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

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

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

	2022 £'000	2021 £'000
Balance sheet liability at 1 January	318	596
Deficit contribution paid	(187)	(301)
Interest cost (recognised in SoFA)	-	1
Remaining change to the balance sheet liability* (recognised in SoFA)	(131)	22
Balance sheet liability at 31 December	-	318

* Comprises change in agreed deficit recovery plan and change in discount rate 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. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

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

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

Group Personal Pension Plan

The BDBF participates in a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the BDBF in an independently administered fund. The pension cost charge for the year represents contributions payable by the BDBF to the fund.

Church Workers Pension Fund

The BDBF participates in the Defined Benefits Scheme(DBS) section of the Church Workers Pension Fund (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.

For funding purposes, the 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 the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if DBS 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 2022: £24,422 *(2021: £57,057)*.

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

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

The next actuarial valuation is due at 31 December 2022.

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 45.2% of pensionable salary and expenses of £3,200 per year.

The joint movement in the provision is set out below:

Joint Movement	2022 £'000	2021 £'000
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	-	-
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate 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 2022	December 2021	December 2020
Discount rate	0.00%	0.00%	0.00%

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.

Parsonages Board Retirement Benefit Schemes

The Parsonages Board Retirement Benefit Schemes contains one scheme with one member. It is a defined benefit scheme with the Ecclesiastical Insurance Group.

The scheme is not considered material within the assets of the Blackburn Diocesan Board of Finance and due to the cost to the charity of obtain information on the scheme the Blackburn Diocesan Board of Finance have not complied in full with the requirements of FRS102.

The deficit was recognised at 1 January 2014 based on the triannual valuation (2013) of £94,200. The SOFA has been charged with the future service contribution rate with the past service deficit reducing the balance sheet liability in the intervening years. The balance sheet deficit has been adjusted on receipt of the latest triannual valuation report (June 2022). The deficit recognised at 31 December 2022 is £0.

16. Analysis of grants made

Included Within	Grants to Individuals £000	Grants to Institutions £000	2022 Total £000	2021 Total £000
Contributions to Archbishops' Council	-	646	646	701
Parish Ministry				
First appointment and resettlement grants	223	-	223	231
Support for parish ministry				
Ordinands	173	-	173	141
Harvest appeal charities	-	16	16	22
Parishes	-	872	872	536
Area Deans (parish)	-	6	6	-
Continuing ministerial education	3	-	3	-
Churches Together in Lancashire	-	6	6	6
Caring for creation	-	1	1	-
Retired clergy and clergy widows	88	-	88	50
Clergy hardship grants	53	-	53	-
Inter Diocesan Counselling services	-	7	7	6
Education	-	359	359	337
Total Grants Payable	540	1,913	2,453	2,030

17. Tangible fixed assets

	Parsonages £000	*Non Parsonages/ Land* £000	Total Freehold land and buildings £000	Long leasehold buildings £000	Fixtures, fittings and office equipment £000	Total £000
Cost or valuation						
At beginning of year	27,402	13,589	40,991	415	264	41,670
Additions	6	1,443	1,449	-	55	1,504
Disposals	(501)	(862)	(1,363)	(415)	(4)	(1,782)
At end of year	26,907	14,170	41,077	-	315	41,392
Depreciation						
At beginning of year	-	962	962	285	152	1,399
Charge for year	-	17	17		40	57
Disposals	-	-	-	(285)	(4)	(289)
At end of year	-	979	979	-	188	1,167
Net book value						
At 31 December 2022	26,907	13,191	40,098	-	127	40,225
At 31 December 2021	27,402	12,627	40,029	130	112	40,271

Parsonage houses are legally vested in the incumbent (an "ecclesiastical corporation sole") as freeholder during his incumbency. Three features of the incumbent's freehold have significantly influenced the accounting treatment adopted in these financial statements. Firstly, the freeholder is not free to dispose of the house for personal benefit and is not responsible for maintaining the house. Secondly, proceeds of any sale, following a pastoral reorganisation which makes the house surplus, normally revert to the Diocesan Pastoral Account or Diocesan Stipends Fund. Thirdly, the Diocese is responsible for repair and maintenance, a responsibility which is currently carried out by the Diocesan Property Committee. The Diocese therefore carries both the benefits and obligations of ownership, and accordingly the financial statements include the parsonage houses together with other Diocesan land and buildings.

Parsonage houses and other Diocesan residential houses have been included in tangible fixed assets at cost, or valuation where cost was not available for houses purchased prior to 1998. The valuation attributed to each house was the mid-point (low point for the top two bands) of the council tax valuation banding applied to the house. The aggregate value of the houses valued in this way amounted to £19,413,000 *(2021: £20,319,000)*.

Heritage Asset

Whalley Abbey was bought from the Diocese of Manchester in 1926. It comprises substantial remains of a Cistercian Abbey founded in 1296 and dissolved in 1537.

The Abbey of St Mary the Virgin, also known as Locus Benedictus de Whalley was founded by Henry de Lacy, third Earl of Lincoln on the 4th April 1296. The Abbey had moved from the unfavourable site of Stanlaw into the Parsonage and other temporary buildings at Whalley in 1283, when there were 20 monks.

Excavation has uncovered the outlines of the church, surviving as foundations, as does the eastern claustral range and the polygonal Chapter House.

The standing Abbey buildings and Conference House

The following notes are extracted from the Conservation Plan prepared in 2002.

The Conservation Plan was compiled under the direction of John Prichard (Lloyd Evans Prichard), architect accredited in building conservation, with architectural history advice from James Anderson and Clare Hartwell (Architectural History Practice), and archaeological advice from Jason Wood (Heritage Consultancy Services).

North-East Gatehouse

The North-East Gatehouse dates to circa 1480, and was constructed to provide an impressive entrance to the Abbot's Lodging and *Clausum*, the sacred precinct. It echoes the earlier North-West Gatehouse with its two entrance ways, but is embellished with diagonal buttresses, crenelation, and a statue niche.

Courtyard North Range

The Courtyard North Range may include some medieval content, but the present structures are principally seventeenth century, with nineteenth-century additions, and substantial late twentieth-century alterations to create the tea room, kitchen, and exhibition room. It is excluded from the scheduling.

The Conference House

The Conference House is excluded from the scheduling, but it deserves its Grade I status and is of national significance. The individual components are considered below, and elements of significance discussed.

The central block includes original medieval fabric, such as the arch adjacent to the chapel, as well as medieval stonework which has probably been re-used from demolished structures, such as the window between the Dining Room and the kitchen. The nineteenth century interiors are a very good example of Gothic Revival/Arts and Crafts work; particularly noteworthy is the roof and fireplace in the Great Hall and the staircase decorated windows.

The East Wing

The East Wing extends south from the chapel and comprises inter alia the Paslew Suite and the Peter of Chester room on the ground floor, and seven bedrooms on the first floor. The Paslew Suite and Peter of Chester room may incorporate medieval material, but they, and the bedrooms immediately above, were substantially rebuilt in the late sixteenth century, as evidenced by the mullioned windows in the east wall, the date stone (not always a true indicator and the dating of Forrest Historic by English Heritage during the 21stC refurbishment works. An extension was added in the mid-nineteenth century, with bedrooms above.

The West Wing

The West Range was added in the 1860s, and was well designed externally to blend with the late seventeenth-century gabled north extension, and the remains of the Abbot's Kitchen and Long Gallery Range on the west.

The BDBF recognises its responsibility to preserve the heritage asset and is currently looking to raise funds to be able to undertake work on the ruins. It does not intend to acquire other heritage assets. Whalley Abbey grounds are open to the public to view the ruins but access is restricted to the buildings on the site.

The current asset value for Whalley Abbey is £0.9m after a major refurbishment of the house in 2004. The asset is being depreciated over 15 years to £0.5m. The depreciated value represents the value in the accounts of the whole site and is based on an indication made by a local surveyor. It is difficult to obtain an accurate valuation for the site as the ruins represent a continued liability for their maintenance and upkeep which considerably reduces the value of the asset if sold in its entirety.

18. Investments and investment property

	Investment Property	Unlisted CBF investments	Others investments	Total investments
	£000	£000	£000	£000
At valuation				
At beginning of year	1,861	24,677	15	26,553
Additions	-	15	-	15
Disposals	(85)	-	-	(85)
Increase (decrease) in market value	23	(2,893)	-	(2,870)
At end of year	1,799	21,799	15	23,613
At historic cost	530	10,730	15	11,285

Investment property is Diocesan glebe land vested in the DBF under the Endowments and Glebe Measure 1976 that is held for the purposes of producing income for clergy stipends. The glebe land is measured at fair value at the year end by an independent RICS registered valuer. The valuation has been undertaken in accordance with International and RICS Valuation Standards and has been based upon the valuer's experience in the valuation of agricultural, institutional and amenity land within the Lancashire and wider north-west region.

Unlisted investments are made up of Central Board of Finance investments in Church of England Investment Fund shares, Property Fund shares and Fixed Interest Securities.

19. Debtors

	2022	2021
	£000	£000
Amounts receivable within one year		
Prepayments and accrued income	683	442
Other debtors	1,072	677
Amount owed by related parties (Cidari Education)	6	6
Loans to related parties (Emmanuel Theological College)	10	10
Loans to parishes	440	375
	2,211	1,510

	£000	£000
Amounts receivable after more than one year		
Loans to parishes	14	497
Loans to related parties (Emmanuel Theological College)	-	-
Amount owed by related parties (Cidari Education)	-	11
	14	508

20. Creditors

	2022	2021
	£000	£000
Amounts falling due within one year		
Trade creditors	548	314
Other creditors (taxation and social security)	53	51
Other creditors	88	79
Accruals	186	278
Amounts owed to related parties (BDBE)	235	178
CCLA loan	418	-
	1,528	900

	2022	2021
	£000	£000
Amounts falling due after more than one year		
CCLA loan	-	418
Due to Churches Conservation Trust	157	157
Provisions for liabilities: Pension deficit	-	383
	157	958

The long term loan from CCLA is a flexible loan facilities subject to a maximum repayment term of 10 years. The loan has been repaid in 2023.

The amount owed to Churches Conservation Trust is due on disposal of five redundant church buildings.

21. Commitments

Commitments at 31 December 2022, for which no provision has been made in these accounts, were as follows:

	2022	2021
	£000	£000
Authorised, but not contracted:		
Parish Vision Fund	128	98
Benefact Grant Fund	6	55
Clergy Housing Fund	544	187
	678	340

22. Called up share capital

The charitable company is limited by guarantee, registered in England and does not have an authorised or allotted share capital.

23. Net assets analysed by fund

	Tangible Fixed Assets	Fixed Asset Investment	Net Current Assets	Long term Creditor	Net assets as at 31 December 2021
	£000	£000	£000	£000	£000
General Fund	1,677	6,526	317	-	8,520
Designated Funds	-	446	2,536	-	2,982
Total Unrestricted Funds	1,677	6,972	2,853	-	11,502
Pastoral Account	7,656	-	4,387	(157)	11,886
Other Restricted Funds	-	281	1,023	-	1,304
Total Restricted Funds	7,656	281	5,410	(157)	13,190
Parsonage Houses Fund	26,906	1,047	-	-	27,953
Stipends Capital / Housing Fund	3,986	10,821	485	-	15,292
Other Endowment Funds	-	4,492	5	-	4,497
Total Endowment Funds	30,892	16,360	490	-	47,742
Total	**40,225**	**23,613**	**8,753**	**(157)**	**72,434**

24. Unrestricted funds

Unrestricted funds comprise those funds which are available for application for the general purposes of the charity as set out in its governing document. Movements on this fund are as follows:

	At 1 January 2022 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2022 £000
General Fund	9,275	8,677	(3,440)	(687)	(5,305)	8,520

	At 1 January 2022 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2022 £000
Designated Funds						
Office Assets Fund	484	13	-	(58)	-	439
Parsonages Fund	323	-	-	-	-	323
Parish Vision 2026 Grant and Loan Fund	822	56	(15)	-	-	863
Diocesan Vision Strategic Development Fund	578	-	(25)	-	-	553
Diocesan Vision 2026 Fund	478	80	(11)	-	(83)	464
Allchurches Trust Grant Fund	265	-	(27)	-	-	238
Other Designated Funds	83	-	-	-	19	102
	3,033	149	(78)	(58)	(64)	2,982

Designated Funds

Fund	Application/purpose
Income for specific purposes	Designated to provide income to specific purposes in the parish share budget
Office Assets Fund	Designated for repairs, renovation or for buying a new building in the future.
Parsonages Fund	For repairs and disability adaptation on parsonages in excess of parish share budget
Parish Vision 2026 Loan Fund	Designated to provide some of the loans to parishes to continue their mission projects
Diocesan Vision Strategic Development Fund	Designated to provide match funding necessary for Strategic Development Funding applications
Diocesan Vision 2026 Fund	Designated to contingencies for the development of the diocesan vision
Allchurches Trust Grant Fund	The fund assists with funding the cost of diocesan projects, building administration costs, education, parish mission projects and major building works.

25. Restricted funds

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

	At 1 January 2022 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2022 £000
Diocesan Pastoral Account	9,430	1,923	(148)	-	496	11,701
Diocesan Stipends Fund Income Account	-	1,579	(8,063)	-	6,484	-
Social Responsibility Projects	101	19	(51)	-	-	69
Parish Vision 2026 Grant Fund	97	6	(62)	(3)	-	38
Bishops Clergy Widows Fund	676	78	(90)	(35)	-	629
Bishops Ordination Fund	152	4	(4)	-	-	152
Resourcing Ministerial Education (RME) Fund	123	221	(183)	-	-	161
Bishop's Harvest Appeal	16	20	(16)		-	20
Bishop's Clergy in Need Fund	37	-	-	-	-	37
SDF Funded Projects	(24)	2,101	(2,082)	-	42	37
Lower Income Communities Funding	38	1,402	(301)	-	(1,139)	-
Parish Pastoral Fund	190	-	(6)	-	-	184
Other Restricted Funds	151	556	(528)	1	(18)	162
	10,987	7,909	(11,534)	(37)	5,865	13,190

The specific purposes for which the funds are to be applied are as follows:

Fund	Application/purpose
Diocesan Pastoral Account	Purposes are laid down in Section 78 of the Pastoral Measure 1983, the main purposes being: • Costs incurred for the purposes of the Measure or any scheme or order made by the measure except for salaries of regular diocesan employees • Costs of disposing of or maintaining houses or churches vested in the DBF or Commissioners • For the benefit of another diocese • Transfer to the DSF Capital or Income Funds
Diocesan Stipends Fund Income Account	Subject to any charges imposed by the 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

	• Paying secondary Class 1 contributions in respect of ministers not employed under a contract of service • Defray sequestrators' expenses
Social Responsibility Projects	The Social Responsibility section received funding for specific projects and for its general costs relating to those projects. Project funding was restricted to the project it had been requested for and approved expenditure is applied against the funding in accordance with the funders rules.
Parish Vision 2026 Grant Fund	The Grant Fund exists to enable parishes to fulfil mission opportunities, normally through the appointment of lay workers.
Bishops Clergy Widows Fund	The Bishop's Clergy Widows Fund is used to help clergy widows and retired clergy in cases of financial hardship, particularly with housing costs. It funds the cost of social events and the cost of the Diocesan Officer and Bishop's visitors.
Bishops Ordination Fund	The Ordination Fund is used to assist with meeting the costs of Ordinands in training.
Bishop's Harvest Appeal	Each year the Bishop selects a charity to benefit from his Harvest Appeal. Parishes, Schools and individuals within the Diocese collect money in support of this charity and the monies are distributed by the Diocese in accordance with the appeal.
Bishop's Clergy Fund	The fund was established by transfer of some of the Extra Mission and Ministry funds received from the Archbishops' Council 2008 – 2010. Grants from the fund are awarded at the discretion of the Bishop, to serving clergy in the Diocese.
Resourcing Ministerial Education (RME) Fund	Specific funding for Ordinands in training from National Church.
Strategic Development Fund, Funded Projects	Specific funding for the Outer Estates project and Preston Resourcing parish from National Church
Lower Income Communities Fund	Funding to promote the growth of churches in Lower Income Communities
Parish Pastoral Fund	This fund reflects monies ring fenced from the sale of a vicarage in a parish where no scheme for pastoral re-organisation is currently in place. The monies must be held until either a vicarage is purchased, or a scheme is put in place.

26. Endowment funds

The endowment funds are held on trust to be retained for the benefit of the Charity as a capital fund. Where the whole of the fund must be permanently maintained it is known as permanent endowment. Where there is power of discretion to convert endowed funds into income, the fund is classified as expendable endowment.

	At 1 January 2022	Income	Expenditure	Gains and losses	Transfers	At 31 December 2022
	£000	£000	£000	£000	£000	£000
Diocesan Stipends Fund Capital Account	16,213	257	(4)	(1,174)	-	15,292
Parsonage Houses Fund	28,589	-	-	(140)	(496)	27,953
Other Permanent endowment						
Bishops Clergy Widows Fund	2,562	-	-	(299)	-	2,263
Maintenance of the Ministry	356	-	-	(42)	-	314
General purposes	443	-	-	(52)	-	391
Whalley Abbey	194	-	-	(23)	-	171
Other endowments	94	-	-	(10)	-	84
Stipends	1,443	-	-	(169)	-	1,274
	49,894	257	(4)	(1,909)	(496)	47,742

The Diocesan Stipends Fund Capital Account

This fund represents the value of glebe property and investments at the balance sheet date and is a permanent endowment fund.

The account is governed by the Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure 1992.

Income arises from the sale of glebe assets, the transfer of parsonage sale money, transfers from the DSF Income account, as well as gifts, bequests and donations.

The main function of the fund is to produce income for the stipends, but it may also be used for other purposes including: acquiring glebe property, investing in a subsidiary, developing and protecting glebe amenities, investment, discharging loans and levies on glebe, improving parsonage houses and discharging any loans made by the Church Commissioners under the Endowments and Glebe Measure 1976.

Parsonages Houses fund

This fund represents the value of benefice houses at the balance sheet date, together with the Parsonages Building Fund held by the Church Commissioners and investments held by the Parsonages Board. The houses are used to provide accommodation for the parochial clergy.

The Diocese is not free to dispose of the houses except in accordance with the appropriate measure. There is provision for the net proceeds of sale to be applied to either the Diocesan Pastoral Account or Diocesan Stipends Fund Capital once a disposal has been effected.

The Parsonage Houses fund is an expendable endowment.

Other Permanent endowments

The permanent endowments are established under a variety of trust deeds and documents which require the funds to be held in perpetuity. The income of the funds is to be applied to the Bishops Clergy Widows fund, Maintenance of the Ministry fund, General purposes fund, Diocesan Stipends Income fund, Whalley Abbey fund and other smaller endowment funds.

27. Related parties' transactions

During the year the company shared office space with the Blackburn Diocesan Board of Education and Cidari Education Ltd. Shared and staff time expenditure has been recharged at cost.

	2022 Recharges (excl. VAT)	2022 Grants made to related parties	2021 Recharges (excl. VAT)	2021 Grants made to related parties
	£	£	£	£
Blackburn Diocesan Board of Education	24,314	359,360	15,953	336,914
Cidari Education Ltd	10,492	-	9,887	-
Blackburn Cathedral	8,038	999	24,570	-
Emmanuel Theological College (formarly the All Saints Centre for Mission and Ministry)	9,700	-	28,292	-

During the year £164,462 has been paid to Emmanuel Theological College (formally the All Saints Centre for Mission and Ministry) for training of readers and ordinands *(2021: £128,798)*.

At the year end the balances due from related parties were as follows:

	Outstanding Trade Balances at 31/12/2022	Outstanding Loan Balances at 31/12/2022	Outstanding Trade Balances at 31/12/2021	Outstanding Loan Balances at 31/12/2021
	£	£	£	£
Cidari Education Ltd	11,126	-	17,048	-
Blackburn Cathedral	5,110	425,340	17,857	745,791
Emmanuel Theological College (formally All Saints Centre)	-	10,000	70	10,000

At 31 December 2022 there was a balance due to the Blackburn Diocesan Board of Education of £169,926 *(2021: £178,185)* and there was no balance due to Emmanuel Theological College *(2021: £9,681)*.

During the year donations received from trustees amounted to £4,494 *(2021: £4,102)*. No donations have been received from key management personnel *(2021: £nil)*.

28. Financial instruments

	2022	2021
	£000	£000
Financial assets measured at fair value	23,612	26,553
Financial assets measured at amortised cost	10,281	8,220
Financial liabilities measured at amortised cost	1,528	1,701
Financial liabilities measured at fair value	157	157

Financial assets measured at fair value comprise investments.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and receivables and parish loans.

Financial liabilities measured at amortised cost comprise accruals, other creditors, the Clergy Pension Scheme liability and amounts held for other bodies.

Financial liabilities measured at fair value comprise value linked loans.

29. Funds held as custodian trustee

The BDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. PCC trust investment assets held by the BDBF have been summarised below at market value:

	2022	2021
	£000	£000
CBF Church of England Deposit fund	4,586	4,811
CBF Church of England Investment fund	10,459	12,034
CBF Church of England Fixed Interest fund	257	336
CBF Church of England Property fund	61	70
Other	44	44
Cash at bank	11	2
Total assets held as custodian trustee	15,418	17,297

The BDBF also acts as custodian trustee in relation to Parochial Church Council (PCC) property. These assets are held separately to those of the BDBF.

30. Prior year comparative Statement of Financial Activities

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			2021
	£000	£000	£000	£000	£000
Income and endowments from:					
Donations and legacies					
Parish contributions	7,469	-	-	-	7,469
Archbishops' Council and Church commissioners	63	-	2,688	-	2,751
Other	110	79	116	12	317
Charitable activities: statutory fees, chaplaincy and other income	126	-	602	-	728
Other trading activities	161	-	108	108	377
Investments	226	13	463	30	732
Other	330	-	709	55	1,094
Total Income and endowments	8,485	92	4,686	205	13,468
Expenditure on:					
Raising funds	229	-	10	25	264
Charitable activities	2,901	38	8,252	1,219	12,410
Other	-	-	45	148	193
Total Expenditure	3,130	38	8,307	1,392	12,867
Net income/(expenditure) before investments	5,355	54	(3,621)	(1,187)	601
Net (loss)/gains on investments	927	61	37	2,072	3,097
Net income/(expenditure) before transfers	6,282	115	(3,584)	885	3,698
Transfers between funds	(5,580)	292	3,502	1,786	-
Net income/(expenditure) before other recognised gains and losses	702	407	(82)	2,671	3,698
Other recognised gains/(losses)					
Gain/(loss) on revaluation of fixed assets	99	-	-	154	253
Gain/(loss) on defined benefit pension schemes	(22)	-	-	-	(22)
Net movement in funds	779	407	(82)	2,825	3,929
Reconciliation of funds					
Total funds at 1 January 2021	8,496	2,626	11,069	47,069	69,260
Total funds at 31 December 2021	9,275	3,033	10,987	49,894	73,189

31. Prior year comparative Archbishops' Council and Church Commissioners

	Unrestricted fund		Restricted	Endowment	Total funds
	General	Designated	funds	Funds	2021
	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,355	-	1,355
Resourcing Ministerial Education Block Grant	-	-	212	-	212
Strategic Ministry Fund	-	-	213	-	213
Strategic Capacity Funding	33	-	55	-	88
Strategic Development Funding	-	-	853	-	853
Past Cases Review 2 Funding	30	-	-	-	30
	63	-	2,688	-	2,751

32. Prior year comparative Other donations

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2021
	£000	£000	£000	£000	£000
Allchurches Trust	78	78	-	-	156
Donations	18	1	48	3	69
Other Grants	14	-	68	9	92
	110	79	116	12	317

33. Prior year comparative Charitable activities

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2021
	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	-	-	506	-	506
Church Commissioners -Guaranteed annuities	-	-	1	-	1
Recharge of staff costs	-	-	68	-	68
Whalley Abbey Conference House	57	-	-	-	57
Income for training courses	36	-	-	-	36
Other fees/sales	33	-	27	-	60
	126	-	602	-	728

34. Prior year comparative Other trading activities

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2021
	£000	£000	£000	£000	£000
Rental Income	69	-	108	107	284
Whalley Abbey Conference House	38	-	-	-	38
Accounting and Legal services	18	-	-	-	18
Consultancy services	36	-	-	-	36
Other fees/sales	-	-	-	1	1
	161	-	108	108	377

35. Prior year comparative Investment Income

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2021
	£000	£000	£000	£000	£000
Dividends receivable	225	13	431	30	699
Interest receivable	1	-	1	-	2
Rents receivable	-	-	31	-	31
	226	13	463	30	732

36. Prior year comparative Other income

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2021
	£000	£000	£000	£000	£000
Gains on disposal of fixed assets	325	-	689	36	1,050
Gains on disposal of investments	-	-	-	19	19
Loan interest	5	-	20	-	25
	330	-	709	55	1,094

37. Prior year comparative Cost of raising funds

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2021
	£000	£000	£000	£000	£000
Project Management	12	-	-	-	12
Parish share					
Secretariat	12	-	-	-	12
Archdeacons	-	-	6	-	6
Investment Management Costs	3	-	1	-	4
Whalley Abbey Rents	41	-	-	-	41
Rents	6	-	3	25	34
Fundraising Trading Whalley Abbey	102	-	-	-	102
Fundraising Trading other	53	-	-	-	53
	229	-	10	25	264

38. Prior year comparative Expenditure on charitable activities

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2021
	£000	£000	£000	£000	£000
Contributions to Archbishops' Council					
Training for ministry	302	-	-	-	302
National Church responsibilities	211	-	-	-	211
Grants and provisions	26	-	-	-	26
Mission Agency pension contributions	13	-	-	-	13
Retired clergy housing costs (CHARM)	111	-	-	-	111
Pooling of ordinand candidates costs	37	-	-	-	37
General Synod expenses	10	-	-	-	10
	710	-	-	-	710
Parish ministry					
Stipends & National Insurance	-	-	4,665	-	4,665
Pension contributions	1	-	1,346	-	1,347
Housing costs	44	1	291	1,219	1,555
Removal, resettlement and other grants	-	-	232	-	232
Other expenses	-	-	75	-	75
	45	1	6,609	1,219	7,874
Support for parish ministry	1,487	-	165	-	1,652
Whalley Abbey Conference House	192	-	-	-	192
Redundant churches	-	-	73	-	73
Strategic Development Funding Projects	-	3	717	-	720
St Philip's Centre Project	-	-	36	-	36
Grants to Parishes, Individuals and Other Charities	129	7	652	-	788
Miscellaneous Expenses	1	27	-	-	28
	1,809	37	1,643	-	3,489
Expenditure on education					
Grants for the work of the Board	337	-	-	-	337
	337	-	-	-	337
Charitable activities	2,901	38	8,252	1,219	12,410

39. Prior year comparative Analysis of expenditure including allocation of support costs

	Activities undertaken directly	Grant funding of Activities	Manage-ment Admin Support	Total 2021
	£000	£000	£000	£000
Fundraising Trading Whalley Abbey	102	-	-	102
Cost of raising funds	132	-	30	162
Contributions to Archbishops' Council	-	710	-	710
Resourcing ministry and mission	9,413	983	967	11,363
Education	-	337	-	337
Other	193	-	-	193
	9,840	2,030	997	12,867

40. Prior year comparative Analysis of support costs

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2021
	£000	£000	£000	£000	£000
Raising Funds	24	-	6	-	30
Central Administration	759	-	-		759
Governance costs					
Secretariat	71	-	-	-	71
Accounting and Finance Office	38	-	-	-	38
Audit & accountancy fees	23	-	-	-	23
Diocesan Synod costs	7	-	-	-	7
DBF Executive and Bishop's Council Meetings	12	-	-	-	12
Chancellor and Registrar Fees	57	-	-	-	57
	991	-	6		997

41. Prior year comparative Net assets analysed by fund

	Tangible Fixed Assets	Fixed Asset Investment	Net Current Assets	Long term Creditor	Net assets as at 31 December 2021
	£000	£000	£000	£000	£000
General Fund	1,798	7,392	886	(801)	9,275
Designated Funds	-	492	2,541	-	3,033
Total Unrestricted Funds	1,798	7,884	3,427	(801)	12,308
Pastoral Account	7,267	-	2,320	(157)	9,430
Other Restricted Funds	-	318	1,239	-	1,557
Total Restricted Funds	7,267	318	3,559	(157)	10,987
Parsonage Houses Fund	27,402	1,187	-	-	28,589
Stipends Capital / Housing Fund	3,804	12,079	330	-	16,213
Other Endowment Funds	-	5,087	5	-	5,092
Total Endowment Funds	31,206	18,353	335	-	49,894
Total	**40,271**	**26,555**	**7,321**	**(958)**	**73,189**

42. Prior year comparative Unrestricted funds

	At 1 January 2021 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2021 £000
General Fund	8,496	8,485	(3,130)	1,004	(5,580)	9,275

	At 1 January 2021 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2021 £000
Designated Funds						
Office Assets Fund	411	12	-	61	-	484
Parsonages Fund	324	-	(1)	-	-	323
Parish Vision 2026 Fund	421	1	-	-	400	822
Diocesan Vision Strategic Development Fund	629	-	(2)	-	(49)	578
Diocesan Vision 2026 Fund	420	79	(2)	-	(19)	478
Allchurches Trust Grant Fund	298	-	(33)	-	-	265
Other Designated Funds	123	-	-	-	(40)	83
	2,626	92	(38)	61	292	3,033

43. Prior year comparative Restricted funds

	At 1 January 2021 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2021 £000
Diocesan Pastoral Account	9,552	711	(119)	-	(714)	9,430
Diocesan Stipends Fund Income Account	-	1,317	(6,624)	-	5,307	-
Social Responsibility Projects	134	28	(36)	-	-	126
Parish Vision 2026 Grant Fund	148	26	(99)		23	98
Bishops Clergy Widows Fund	613	76	(50)	37	-	676
Bishops Ordination Fund	154	3	(5)	-	-	152
Resourcing Ministerial Education (RME) Fund	89	212	(178)	-	-	123
Bishop's Harvest Appeal	20	23	(24)		-	16
Bishop's Clergy in Need Fund	35	-	-	-	-	36
SDF Funded Projects	6	912	(944)	-	-	(26)
Lower Income Communities Funding	-	1,355	(204)	-	(1,115)	36
Parish Pastoral Fund	166	-	-	-	-	166
Other Restricted Funds	152	28	(26)	-	-	154
	11,069	3,686	(8,307)	37	3,502	10,987

44. Prior year comparative Endowment funds

	At 1 January 2021	Income	Expenditure	Gains and losses	Transfers	At 31 December 2021
	£000	£000	£000	£000	£000	£000
Expendable endowment						
Diocesan Stipends Fund Capital Account	14,869	55	(148)	1,437	-	16,213
Parsonage Houses Fund	27,725	150	(1,244)	149	1,809	28,589
	42,594	205	(1,392)	1,586	1,809	44,802
Permanent endowment						
Bishops Clergy Widows Fund	2,241	-	-	321	-	2562
Maintenance of the Ministry	311	-	-	45	-	356
General purposes	387	-	-	55	-	443
Whalley Abbey	170	-	-	24	-	194
Other endowments	102	-	-	15	(23)	94
Stipends	1,264	-	-	180	-	1,443
	4,475	-	-	640	(23)	5,092
	47,069	205	(1,392)	2,226	1,786	49,894

THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

England & Wales - Charity number 247647

Accounts

VISION 2026
HEALTHY CHURCHES TRANSFORMING COMMUNITIES

THE DIOCESE OF BLACKBURN
THE CHURCH OF ENGLAND IN LANCASHIRE

The Blackburn Diocesan Board of Finance Limited

Annual report and financial statements

Company limited by guarantee (no 225457)
Registered charity (no 247647)
Date: 31 December 2021

Contents

VISION STATEMENT 2

LEGAL OBJECTS 3

STRATEGIC REPORT 3

STRATEGIC AIMS AND OBJECTIVES FOR THE YEAR 3

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR 4

FUTURE PLANS 7

FINANCIAL REVIEW 8

PRINCIPAL RISKS AND UNCERTAINTIES 10

STRUCTURE, GOVERNANCE AND MANAGEMENT 11

SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND 11

ORGANISATIONAL STRUCTURE 12

DIRECTORS' RESPONSIBILITIES 14

STATEMENT OF DISCLOSURE TO THE AUDITORS 15

APPOINTMENT OF AUDITOR 15

ADMINISTRATIVE DETAILS 16

ATTENDANCE OF DIRECTORS AT MEETINGS IN 2021 17

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED 18

STATEMENT OF FINANCIAL ACTIVITIES 21

INCOME AND EXPENDITURE ACCOUNT 22

BALANCE SHEET 23

CASH FLOW STATEMENT 24

NOTES TO THE FINANCIAL STATEMENTS 25

VISION STATEMENT

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026.
The Vision was launched in 2015 when the Diocese of Blackburn made a bold strategic decision to change and to grow through the priorities of: • Making Disciples for Jesus Christ • Being Witnesses for Jesus Christ • Growing Leaders for Jesus Christ • Prioritising Work Among Children, Young People and Schools.
Over the course of 2020 the Diocese engaged in a 'Vision Update' through which we sought to identify what is going well and where the challenges are as we seek to realise our Vision of seeing 'Healthy Churches Transforming Communities'

Our updated Vision 2026 building blocks are:-

Making disciples of Jesus Christ

- Knowing the Scriptures better and equipping confident Christian disciples
- Praying with greater depth and urgency for the Kingdom of God to come
- Offering worship in Spirit and truth through the ministry of word and sacrament
- Giving generously of our time, talents and money to the cause of Christ

Being witnesses to Jesus Christ

- Sharing the Gospel with confidence
- Enabling human flourishing through social action
- Planting or renewing 10 strategic church plants and 200 new congregations
- Caring for God's creation

Growing leaders for Jesus Christ

- Developing a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Discerning and forming theologically literate lay and ordained leaders, rooted in prayer and with a deep love of the Lord Jesus
- Nurturing healthy partnerships between clergy and laity by fully implementing the Lay Majority Ministry Framework
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

Inspiring children and young people

- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Holding regular worship that is accessible and appealing to children, young people and their families.
- Enabling growth in the numbers of leaders of children and young people
- Pursuing a step change in work with those aged 11-16
- Facilitating effective partnerships between churches and local schools

The Diocesan Vision Prayer

Heavenly Father, we embrace Your call for us to make disciples, to be witnesses, to grow leaders and to inspire children and young people. Give us eyes to see Your vision, ears to hear the prompting of Your Spirit and courage to follow in the footsteps of your Son, our Lord and Saviour Jesus Christ. Amen

The Directors of the Blackburn Diocesan Board of Finance Limited (BDBF), who are the Trustees for the purpose of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2020.

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

This combined report satisfies the legal requirement for:
Directors' Report of a charitable company
Strategic Report under the Companies Act 2006 and
Trustees Annual Report under the Charities Act 2011

LEGAL OBJECTS

The BDBF's principal objective is to promote, assist and advance the work of the of the Church of England, primarily but not exclusively in the Diocese of Blackburn, by acting as the financial executive of the Blackburn Diocesan Synod.

The BDBF has the following statutory functions:

- The BDBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- The BDBF is custodian trustee in relation to PCC property.

STRATEGIC REPORT

STRATEGIC AIMS AND OBJECTIVES FOR THE YEAR
The main role of the BDBF is to identify and manage the financial aspect of the provision of the ministry within the Diocese, so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities in the Diocese.

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026. The Vision was launched in 2015 and over the course of 2021 the Diocese engaged with a "Vision Update" to identify what is going well and the challenges we have in realising our Vision.

The next phase of the implementation plan is available from our website at:
https://www.blackburn.anglican.org/vision-update.

The Directors are aware of the Charity Commission's published guidance on the public benefit requirement in general and, more particularly, in 'The Advancement of Religion for the Public Benefit' and have had regard to it in their administration of the BDBF.

The Directors believe that, by carrying out these objectives and in promoting the work of the Church of England in the Diocese of Blackburn, the BDBF helps 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 it provides 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, for the benefit of individuals and society as a whole.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Vision 2026 consists of the four major building blocks of the Vision and activities planned against each:

Making Disciples including:

- The forthcoming launch of a Rule of Life
- Creating a Centre for Christian Discipleship and Prayer at Whalley Abbey with a resident praying community
- Enabling spiritual direction to be available to all, lay and ordained, across the diocese
- Production of diocesan seasonal daily devotional resources

In relation to our main objectives of **Making Disciples** of Jesus Christ we:

- Have formed a new Making Disciples Team for the diocese
- Produced Lent and Advent Devotionals with the circulation of this high-quality resource has grown from 7,500 in Advent 2020 to 9,500 in Advent 2021.
- Have instigated contactless giving. We are the leading diocese in the northern province in the take-up of contactless giving, which has been a significant help to parishes in weathering the challenges of lockdown.
- Piloted the Parish Giving Scheme. Take-up by parishes during the pilot stage is continuing to be above expectations, and parishes are showing a definite increase in giving levels, where introduction is accompanied by teaching about Christian giving. The formal launch will take place in 2022
- Appointed a Warden of Spiritual Directors. This has led to a major restructuring of this ministry, which is now based at Whalley Abbey, and to the recruitment and training of a new team of spiritual directors.
- Created discipleship podcasts. The first podcast has been recorded and will be released when editing is complete in 2022

Being Witnesses including:

- Coaching, networking and training as we press ahead to our goal of seeing 200 New Local Congregations by 2026
- Internal and external investment to realise the vision of 10 Strategic Church Plants by 2026
- Encouraging the regular hosting of enquirers courses by providing training and networks of support.
- A suite of activities to enable human flourishing through social action
- Caring for God's creation with the aim to become an Eco-diocese by 2023

In relation to our main objectives of **Being Witnesses** to Jesus Christ we:

- Applied for £3.5m Stage 1 SDF funding from the national church for two strategic Church plants in Blackburn and Blackpool which was approved. The project is entitled "Lighting up New Generations: Blackburn, Blackpool and across Lancashire" and the funding secured in May 2021.
- Promoted the running of Christian Enquiry Courses. To date, at least 67 parishes run or have run a Christian Enquiry Course.
- Organised five Clergy Study Mornings and one Licensed Lay Ministers Study Morning on the topic of planting New Local Congregations (NLC). 97% of people attending rated the study mornings as good or better with 34% rating the sessions as excellent. 87 participants responded that they were interested in finding out more about planting a NLC.
- Organised four Beacon Courses which have, so far, been attended by 45 people – a mixture of lay and ordained people. The course aims to encourage the planting of New Local congregations.
- Organised three training sessions for curates as part of their IME training.

- Set up an Online Resourcing Group. During the course of the pandemic supporting our digital presence as a diocese and churches by: organising an online *Looking out in Lent* course sharing online services across the diocese on Sundays; sharing a monthly Multilingual Service; creating *HopePod* podcasts.
- Organised the Bishop's Harvest appeal in 2020/21 in support of Tearfund and Friends of the Holy Land. Parishes and schools generously donated £22,420.47.
- Promoted *Lyrics and Lunch* with an online webinar

Growing Leaders including:

- Establishment of the Lay Majority Ministry Framework which includes new 'Authorised Lay Ministers' (ALM) and 'Licensed Lay Ministers' (LLM)
- Continued development of a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

In relation to our main objectives of Growing Leaders for Jesus Christ we:

- Continued the implementation of Lay Majority Ministry strategy
    - Successfully developed a new Authorised Lay Ministry scheme culminating in 114 ALMs being commissioned by year end
    - Expanded the M:Power programme to offer training in 2021/22 to 28 people in three locations (Blackpool, Burnley and Lower Darwen)
    - Licensed one and relicensed 119 Licensed Lay Ministers (formerly Readers) who are refocused on teaching the faith, leading in church and society and enabling mission
    - Launched termly Continuing Ministerial Education days for LLMs
    - Embarked on a pilot partnership programme with Church Army to train locally deployable church army evangelists
- Began work to develop a new integrated 5-year start of ministry programme to support clergy from ordination through to the end of the send year of their first incumbency .
- Played a leading role in the regional restructuring of theological education for the six North West dioceses culminating in the launch of Emmanuel Theological College on 1st August 2021.

Inspiring Children and Young People including:

- Pursuing a step change in work with those aged 11-18 supported by a new Youth Resourcing Church and diocesan-wide new learning communities
- Facilitating effective partnerships between churches and local schools
- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Supporting the creation of new or renewed toddler groups that share the gospel

In relation to our main objectives of **Inspiring Children and Young people for Jesus Christ we:** Commissioned the Board of Education to enable development through:

- Creating a new Learning Community for Youth Provision building on the Launchpad sessions delivered through the SDF3 resourcing church at St Luke's, Blackburn
- Delivering training to children's and youth workers across the diocese linked to the Authorised Lay Ministry programme for growing leaders
- Creating high quality resources and training to equip churches to minister to the young
- Creating high quality school resources for Religious Education, ethos and worship
- Training and supporting schools and churches to live out Vision 2026 by transforming communities.

Full details of the activities carried out are contained within Blackburn Diocesan Board of Education Trustee Report.

During 2021 the BDBF also

- Carefully monitored spending and income for the diocese to ensure sustainability.
- Engaged in regular Parish Share meetings to help parishes with difficulty in contributing share to agree a positive way forward.
- Continued to encourage parishes struggling to meet their Parish Share requests to meet BDBF Directors, Archdeacons and BDBF Officers to discuss their challenges, constraints on their ability to contribute the Parish Share requested, and initiatives for ministry in a constructive and collaborative atmosphere.
- Where satisfied that there was a clear commitment by the parishes to strengthen their discipleship, stewardship and vision planning, and to meet an adjusted share contribution request, Parish Share meetings were able to reduce Share requests for a number of parishes from the parish support fund.
- Secured £978,000 from the Church Commissioners to drive forward our missional and financial flourishing work, beginning to recruit the new team and take forward the exercise.
- Formally launched the next phase of Vision 2026 and the new Vision implementation plan (2021-2024) at Pentecost.
- Supported parishes in their mission aspirations with grant funding from the Parish Vision Grant and Loan Fund.
- Continued the roll out of the extensive safeguarding training programme for clergy and parish officers.
- Used a Missional and Financial Flourishing exercise to consult with deaneries on effective ways to develop ministry in each area.

The actions outlined above were enabled through a range of administrative and legal functions ensuring that the priorities identified within Vision 2026 were facilitated whilst maintaining good governance
The effect of Covid 19 impacted significantly on both parishes and the BDBF for a second year, however, there were signs of recovery and development in ministry in comparison to 2020. Churches operated with restrictions through the period and activities and income from donations were impacted as a result. Whalley Abbey experienced reduced bookings and cancellations at times of the year most affected by Covid restrictions.

The Covid Task Group continued to provide parishes with information in the pandemic. An 'Unlock' group was created to support parishes with information, advice and encouragement as they began to lift restrictions and return to their core work of **Making Disciples, Being Witnesses, Growing Leaders and Inspiring Children and Young people for Jesus Christ** in a challenging, unanticipated context.

The Standing Committee of the BDBF which met fortnightly to support the Board of Directors and Trustees with decisions that needed prompt action and planning has now been disbanded and normal governance measures are in place. The Resilience Group has now completed the purpose it was established for in 2020 and its future aim is under review.

Personnel

The Directors are thankful for everyone who contributes to the life of the Diocese and to the parishes for their continuing financial support. The directors would like to express particular thanks to all the staff serving the BDBF, to our clergy for their leadership during 2021 and to the PCCs for their ongoing

commitment this last year. The Directors are thankful to God, for those parishes which continued to support ministry by contributing their parish share in 2021.

Related parties

- General Synod, Church Commissioners, Archbishops' Council and Church of England Pensions Board

  The BDBF must comply with Measures passed by the General Synod of the Church of England. It pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod. The BDBF receives a grant from funds managed by the Church Commissioners. The BDBF pays for clergy stipends through the Church Commissioners. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners.

  The BDBF pays retirement contributions for stipendiary clergy and some employees to the Church of England Pensions Board.

- Parochial Church Councils (PCCs)

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

  PCCs can influence decision-making within the BDBF and at Diocesan Synod level through representations to those bodies and through the input of Deanery Synods.

- Blackburn Cathedral who leased part of Church House to the BDBF in 2021.

- Blackburn Diocesan Board of Education is a registered charity, which has responsibility for 190 Church schools across the Diocese and is responsible for the largest number of voluntary aided schools in the country. It provides pastoral and professional support to all its schools and has particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils. The Board of Education also supports parishes on children's work and youth work and has responsibility for chaplains in universities in the diocese.

- Cidari Multi-Academy Trust is the Trust that has been established to act as a sponsor for underperforming church schools in the Diocese and to welcome and support converter schools wishing to join the Cidari family of academies.

FUTURE PLANS

We will continue to work on the implementation of Vision 2026 and seek to apply for further National Church funding to support the mission and ministry of the diocese. This will include monies to transform the diocese following the missional and financial flourishing process, monies to support curacies and other funds that might meet the missional goals of the BDBF.

We will continue to support each strand of Vision 2026.

Making Disciples of Jesus Christ

The Making Disciples team will help people to move on in their spiritual formation through:

- Knowing the Scriptures Better and Equipping Confident Christian Disciples
- Praying with greater Depth and Urgency for the Kingdom of God to come
- Offering Worship in Spirit and Truth through the Ministry of Word and Sacrament
- Giving Generously of our Time, Talents and Money to the Cause of Christ

The Making Disciples team will also be:

- Offering Discipleship Consultancy, Tools and Training

- Enabling Spiritual Direction and Mentoring to be available to all, lay and ordained, across the diocese

Being Witnesses to Jesus
The Being Witnesses team will encourage authentic witnesses in the following ways:

- Sharing the Gospel of Salvation with Confidence
- Enabling Human Flourishing through Social Action
- Planting 10 Strategic Church Plants (SCPs) and 200 New Local Congregations (NLCs) by 2026
- Caring for God's Creation

Growing Leaders for Jesus Christ
The Diocese is committed to participating in the national 'Setting God's People Free' initiative which highlights the need for clergy and laypeople to be 'equal partners in mission.' The Growing Leaders Team is committed to facilitating the supply of an abundance of theologically literate lay and ordained leaders who, with a ministry rooted in prayer and a deep love of the Lord Jesus, can support the growth of healthy churches and transform communities. The team will do this by:

- Developing a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Discerning and forming theologically literate lay and ordained leaders, rooted in prayer and with a deep love of the Lord Jesus
- Nurturing healthy partnerships between clergy and laity by fully implementing the Lay Majority Ministry Framework
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

Inspiring Children and Young people for Jesus Christ
We support the Diocesan commitment to **Inspiring Children and Young people for Jesus Christ** continuing in partnership with the Blackburn Diocesan Board of Education.

The DBE will enable and support parishes to inspire children and young people by:

- Nurturing Children and Young People in their Faith and Supporting them as Disciples of Jesus Christ
- Holding Regular Worship that is Accessible and Appealing to Children, Young People and their Families
- Enabling Growth in the Numbers of Leaders of Children and Young People
- Pursuing a Step Change in work with those aged 11-16
- Facilitating Effective Partnerships between Churches and Local Schools
- Full details of the future activities are contained within the Trustees report.

Enablers
In additional to our general support for parishes

- We will continue to ensure the central management of cases and training in relation to safeguarding at parish and diocesan level.
- We will continue to support parishes through Treasurer, Church Warden and Clergy training events during the year.
- We will continue to support parishes to contribute their parish share and support those in difficulty.

FINANCIAL REVIEW
Financial performance

The financial performance of the Charity in 2021 was considered satisfactory.

Parish share, the money given by Parishes to the BDBF to fund the mission and ministry of the Diocese, was again the principal source of funding in 2021. This increased by £0.31m to £7.47m *(2020: £7.16m).*

The Directors thank parishes for their contributions during the year, and especially to those parishes able to meet their share request in full and those that make their parish share payments by monthly instalments.

The provision for outstanding parish share at the year end is £7.05m *(2020: £7.56m)*.

Total income (including parish share) before revaluation adjustments totalled £13.47m *(2020: £12.85m)*, an increase of £0.62m. Included in these figures are gains on the disposal of fixed assets of £1.07m *(2020: £0.34m)*.

Expenditure amounted to £12.87m *(2020: £11.62m)*, an increase of £1.25m. Included in these figures are losses on disposal and impairment of fixed assets of £193,000 *(2020: £24,000)*.

The Statement of Financial Activities (SOFA) for the year shows net income of £0.60m *(2020: £1.23m)* before net gains and losses on the revaluation of investments. This is a decrease of £0.63m on the previous year.

After revaluation adjustments, the net movement in total funds amounted to a £3.93m increase *(2020: £2.37m)*, which results in a total fund balance of £73.19m *(2020: £69.26m)*. The net movement in unrestricted funds is £1.08m *(2020: £1.29m)*, which results in a general fund balance of £9.58m *(2020: £8.50m)* and designated fund balance of £3.03m *(2020: £2.63m)*

Balance Sheet Position

While the net assets on the balance sheet total £73.19m *(2020: £69.26m)*, included in this total are freehold land and buildings which are primarily used for ministry totalling £40.27m *(2020: £40.41m)*. Much of the remainder is held in restricted or endowment funds. The defined benefit pension deficit of £0.38m *(2020: £0.69m)* is shown against general funds.

Significant Property Transactions

During the year we purchased one parsonage and six curate and associate vicar houses totalling £2.26m. Sale proceeds were received for ten curate houses of £3.23m. No parsonages were sold during the year.

Investment Performance

The Charity does not receive its donations evenly throughout the year. Some donations or funding grants received are held for a period prior to them being required for expenditure. The charity utilises NatWest reserve accounts and CCLA for cash investments.

The Board requests a member of CCLA to annually attend a meeting of the Investment Committee to update them on the Board's investment position. The Investment Committee meets at least four times a year to review policy and performance. The Board invests in the CCLA Deposit, Investment and Property Funds which again performed satisfactorily over the year.

The total value of investments and deposits (excluding cash and investment property) at 31 December 2021 was £28.69m *(2020: £25.20m)* and the return on investment was 2.6% *(2020: 2.8%)*. (Income divided by average capital value).

The total value of investment property at 31 December 2021 was £1.86m *(2020: £1.83m)* and the return on investment was 1.7% *(2020: 1.5%)*. (Net rental income divided by average capital value).

Sales proceeds received from the sale of glebe land amounted to £0.12m *(2020: £1.02m)*. These funds are available for the planned deficit budgets and to support loans for parishes.

Investment Policies

The BDBF's investment policies are based on two key policies:

Ethical investment – the BDBF seeks to pursue an investment policy consistent with the values of the Christian faith. This is achieved by investing in CCLA who follow the policies of the Church of England's Ethical Investment Advisory Group which are kept under review by the Investment Committee.

Long-term responsibilities – the Directors are aware of their long-term responsibilities in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Investment policy for long-term funds is aimed primarily at generating a sustainable income with due regard to the need for preservation of capital value and the possible need to realise investments to meet

operational needs. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible towards clergy stipends on an ongoing basis. Unrestricted and restricted funds are invested to balance income, liquidity and the reimbursement of capital.

Reserves Policy

The Directors have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. The BDBF has considerable responsibilities, including the remuneration and housing of, on average, 180 parochial stipendiary clergy and is reliant on the contributions from the parishes of the Diocese. The BDBF aims to maintain a level of free reserves for income risk of 4% of three years forecast budgeted parish share, DBF fees and rental income and at least three months' Parish Share budgeted expenditure as working capital. This will be held within the unrestricted funds (excluding fixed assets and clergy pension deficit). This is considered sufficient to cover short-term cash outflows, cushion non-receipt of Parish Share and any reduction of income from DBF Fees and rental income. The level of free reserves required for this policy is £4.80m.

This policy is reviewed annually considering the future plans and risks of the BDBF in its setting.

The level of free reserves at 31 December 2021 was £7.79m; this is in excess of the policy by £2.99m. This excess will to be used to fund the budgeted deficits for 2022, 2023 and 2024. These deficits consider the financial impact of the Covid-19 pandemic on the DBF and especially on parishes, seeking to mitigate the annual increase in parish share request. In addition to this the charity is looking to bid for strategic transformation funding in 2022 which is expected to require some matched funding from the charity. The Directors are confident in the steps taken to ensure the future going concern of the organisation.

There are a number of designated funds totalling £3.03m and the material ones are listed in note 24 on pages 43 and 44. These funds are, in the main, held to fund future opportunities for the BDBF. They are reviewed regularly for appropriateness and levels.

The BDBF also administers a number of restricted and endowment funds that are held in specific trusts under charity law and are not available for general purposes. As at 31 December 2021 restricted funds totalled £10.99m and endowment funds totalled £49.89m. A description of each reserve, together with the intended use of the fund is set out in notes 25 and 26 of the financial statements on pages 44 to 46.

Grant making policy

Grants are made to the National Church to cover a proportion of its central costs and the cost of training for ministry (see note 10 to the financial statements). Grants are paid to other connected charities and to other charitable projects which appear to the Board to support the furtherance of the BDBF's objectives (see note 17 to the financial statements).

Fundraising

Most of the funds raised by the BDBF are from other charities. We provide support and advice to parishes with their fundraising and raise some funds for other charities as part of the Bishop's Harvest appeal or from the congregation at Visitations. At Ordination services funds raised for the BDBF are restricted to support those undergoing ordination training. We encourage online giving by the use of give.net. There is minimal fundraising from the public by the BDBF and this is normally at church services, not by direct marketing or using external fundraisers. We have not received any complaints from the public in relation to our fundraising activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors of the charitable company have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the directors
- regular consideration of financial results and cash flows
- regular review of internal controls
- delegation of authority and segregation of duties
- regular review and update of risk assessments
- scheme of delegation

The Directors will continue to develop the risk management process to assess and document business risks and implement risk management strategies. This involves assessing the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process draws on ongoing consideration of business risk, which already forms a significant aspect of the Directors' duties, scrutiny by the Audit, Risk and Governance Committee (ARG) and of the annual management review by the Auditors, to discuss financial and internal control issues. There is no internal audit function as it is not considered an efficient use of the resources of the charity. The risk register is in the process of a full restructure to ensure better monitoring of risk and cascaded responsibility for risk management by department. After this work is done the risk register will continue to be reviewed on a six-monthly basis by the ARG and material changes notified to the directors.

Key Risks

The key risks, which may impact on the charitable company, include:

1. A decline in the payment of Parish Share – the risk is that the BDBF is unable to meet its objectives due to financial constraints.
   Existing Controls
   - regular monitoring and meetings with those parishes who need help to meeting their assessment
   - provision for the shortfall built into the budget
   - pastoral reorganisation to ensure affordability
   - focus on stewardship
   - free reserves policy
2. A continuing reduction in regular weekly attendance – the risk is that parishes will become increasingly unable to pay parish share due to a reduced number of parishioners contributing to their finances; the BDBF is therefore unable to meet its objectives due to financial constraints. A key aim of Vision 2026 is to grow the number of people regularly attending their parish church.
3. An increase in disclosures following the past cases review and publication of the national response to the IICSA inquiry. Safeguarding team are prepared and existing systems should meet the need. The risk is also mitigated by a detailed past cases review having exposed any historic claims that required further investigation. Ongoing work with survivors helps to shape our future work and prepare to meet any future disclosures well.
4. Use of housing allocated to parish share budget deficit by sale being brought back into charitable use. Governance procedures are in place to reduce the potential for decisions on ministry to impact negative budget presumptions.
5. Risk of a pandemic significantly interrupting both the parishes and the BDBF charitable activities leading to a significant reduction in income.

Covid 19 Impact on risk and risk management

The key risks above are the possibility of a reduction in parish share income and reduction in regular weekly attenders in parishes. Whilst parishes have managed to maintain contribution of share during the pandemic many face challenging budgets and may not be able to contribute in the years ahead. Ongoing work continues to identify parishes in need early and support through parish share meetings. The diocese has seen a positive return to church with churches opening up quickly once restrictions were lifted. This put the Diocese in a positive position in relation to other dioceses; Blackburn Diocese having some of the highest return rates of child and adult worshipers in the post pandemic 2020 statistics for mission. Using the mission statistics comparing 2019 to 2020, 27% of parishes are showing an increase in numbers of worshiping community following the pandemic. However, Blackburn Diocese is still seeing an overall reduction of 17% in the number of people in worshipping community's post-pandemic. [All calculated statistics based on 2019 compared to 2021 with 176 responses in both years of 238 parishes]

STRUCTURE, GOVERNANCE AND MANAGEMENT

SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND
The Church of England is the established church with HM The Queen as the Supreme Governor.

It is organised into two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern) and 42 dioceses. Each diocese is a See under the care of a Bishop who is charged with the cure of souls of all the people within that geographical area.

A diocese is divided into archdeaconries, deaneries, benefices and parishes. Benefices may comprise single or multiple parishes and are overseen by a parish priest (usually called a vicar, rector or priest-in-charge). The parish priests are responsible for the 'cure of souls' in their parish.

The Church of England is governed nationally by General Synod as its legislative and deliberative body. It comprises ex-officio and elected representatives from each diocese and it agrees and lays before Parliament measures for the governance of the church's affairs, which, if enacted by Parliament, have the force of statute law. Blackburn Diocese currently has 5 elected clergy members and 6 elected lay members of General Synod. They were elected in 2021 for a period of five years.

In addition to the General Synod, the Archbishops' Council has a coordinating role for the work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and some lay workers.

Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that leadership as Bishop in the Diocesan Synod which is the statutory governing body of the Diocese.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

The Diocese of Blackburn was created in 1926. It has an area of 988 square miles and encompasses Lancashire with a few parishes in Wigan Metropolitan Borough. The overall population is approximately 1.3 million within urban and rural areas.

The Diocese of Blackburn has two archdeaconries (Blackburn and Lancaster), each the responsibility of an archdeacon. Each archdeaconry has seven deaneries with a number of benefices/parishes grouped geographically. An area dean has oversight of the deanery and each deanery has its own synod. Within each parish there is a body called the parochial church council which is made up of parish priest as chair, the churchwardens, curate and Readers if applicable, and a number of elected members. Each parochial church council is a separate charity.

The Cathedral is the mother church of the Diocese, an ecclesiastical corporation until it is certified by the Church Commissioners under the Cathedrals Measure 2021 as a charity. The Cathedral is separate from the BDBF. Copies of its trustees' report and financial statements may be obtained from the Cathedral Offices, Cathedral Close, Blackburn BB1 5AA.

ORGANISATIONAL STRUCTURE

The BDBF was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 29 October 1927 as a charitable company limited by membership guarantees (No 225457) and its governing documents are the Memorandum and Articles of Association. The BDBF is registered with the Charity Commission (No 247647). The Charity is a limited company and statutory accounts are filed annually with Companies House.

The members of the company comprise the Diocesan Bishop, each member for the time being of the Blackburn Diocesan Synod, including sufficient co-opted lay members in order to ensure that there is a majority by one of lay membership. Many of Diocesan Synod's responsibilities have been delegated to the Bishop's Council and standing committee.

The members of Bishop's Council are the Board of Trustees for the charity and in company law the Directors.

The Directors comprise six ex-officio members: the Diocesan Bishop, the Suffragan Bishops, the two Archdeacons, the Dean of Blackburn Cathedral. Four ex-officio elected positions: the Chairs and Vice Chairs of the Houses of Clergy and Laity of Diocesan Synod. Three ex-officio appointed positions: the Chair and Vice Chair of the Board of Finance and the Chair of the Property Committee. The elected members are 4 clergy, 2 from each archdeaconry, elected by the House of Clergy and 8 lay members, 4 from each archdeaconry, elected by the House of Laity. Two members may be co-opted with the approval of the directors. Elections took place in 2018 with directors, both elected and co-opted, taking

up post on 1 January 2019 for a term of three years. Elections also took place in 2021 for the triennium starting 1 January 2022

Governance and policy of the BDBF is the responsibility of the directors.

Corporate priorities and the overall financial strategy for the BDBF, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Blackburn, are agreed by the Directors and confirmed by Diocesan Synod.

The responsibility for ensuring that these priorities and strategies are delivered are delegated to the Vision Area Leaders.

The members of the company meet once a year in the general meeting to receive the annual report and financial statements. The Diocesan Synod each year receives and agrees the parish share budget, prepared and approved by the Directors. The Directors meet during the year to formulate and coordinate policies on mission, ministry and finance.

Some role names in the company incorporate the title 'Director' but, for the purposes of company law, are not directors of the company.

Diocesan Synod has delegated the following functions to the Directors of the BDBF:

- transacting the business of the Diocesan Synod when not in session
- management of the funds and property of the Diocese
- preparation of the annual Parish Share Budget
- 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; and
- carrying out any other functions delegated by Diocesan Synod.

Statutory ecclesiastical boards and committees:

The Diocesan Mission and Pastoral Committee is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It is also responsible for finding appropriate alternative uses for churches which are closed for public worship.

The Diocesan Advisory Committee advises on matters affecting parishes including churches and places of worship on matters such as 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.

The Parsonages Board: the BDBF is designated as the Parsonages Board for the Diocese for the purpose of exercising the Parsonages Board's functions under the Repair of Benefice Buildings Measure 1972.

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

Non-statutory committees:

The Strategic Programme Board is responsible for the oversight of each of the Strategic Development Fund project boards. These project boards are accountable for the spend of church commissioner grant funding and diocesan funds on project activities and the impact of these projects in line with the aims and objectives. The programme board scrutinises the work of the project boards in line with the overall objectives of the diocese and diocesan vision.

The Finance Committee is responsible for the transaction of some of the business of the BDBF. Within delegated limits it can approve grants and other support and makes recommendations to the Directors in other cases. The membership of the Committee consists of the Chair and Vice Chair of the Board of Finance, the Diocesan Bishop the two Archdeacons and the Chair of the Property Committee. The BDBF

Directors can co-opt up to six members on the basis of their expertise, of whom a minimum of 3 must be members of Bishop's Council and Directors of the BDBF.

The Property Committee is responsible for making major decisions concerning the management of parsonage and other houses owned by the BDBF, including setting the policy for their purchase, sale, repair and maintenance. The committee has delegated authority to authorise repairs within an agreed budget and to buy and sell property and land vested in the Board of Finance for diocesan purposes. It is also responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Blackburn Diocesan Stipends Fund.

The Investment Committee meets on a regular basis to consider diocesan investments, to adjust the portfolio within parameters agreed by the Directors and to make recommendations to the Directors.

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

The HR Committee deals with sensitive and other matters in relation to employed staff which cannot be considered by the full Board, partly because of their confidential nature and partly because of time pressures and includes two members co-opted for their HR expertise.

The Budget Scrutiny Committee assists the Bishop's Budget team in drawing up the annual draft budgets for approval by the Directors prior to submission to Diocesan Synod.

The Financial Assistance Group considers all applications for financial assistance from the Diocesan Vision Grant and Loan Funds. It makes recommendations for support to the Finance Committee for applications in excess of this amount.

Directors' induction

Directors are given an induction file when first appointed. Explanations are given in Directors' meetings to provide continuing training and Directors are encouraged to ask questions in order to develop their understanding of the charity. If additional information is required, it is brought to the attention of directors and the directors' induction file updated accordingly. Directors undertake training at the start of each triennium.

Remuneration of key management personnel

The salary scale of the Diocesan Secretary is determined by the Chair of the BDBF, but any annual award is in line with the other employed staff salary increase.

The salary levels of other key management personnel and all further posts are set by a job evaluation system. Annual pay increases are determined by the HR Committee within a maximum set by the budgeting process. The members of the HR Committee are the Archdeacon of Lancaster, a clergy director, a lay director and two members co-opted for their HR expertise.

Funds held as custodian trustee

The BDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the BDBF does not control them and these assets are held separately to those of the BDBF.

PCC trust investment assets held by the BDBF had a market value of £17.30m at 31 December 2021 (*2020: £16.35m*) Detailed certificates of holdings were sent to parishes (c. 1,500 accounts) and other managing trustees of the respective charities as requested at that date. Details of these investments are summarised in note 29.

DIRECTORS' RESPONSIBILITIES

The Directors, who are also the Trustees, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the BDBF and of the surplus or deficit of the BDBF for that period. In preparing these financial statements the Directors 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 Directors are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the BDBF and enable them to ensure that the financial statements comply with the Companies Act 2011. They are also responsible for safeguarding the assets of the BDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the BDBF's website. Legislation in England/Wales governing the preparation and dissemination of 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 Directors are aware:

a. there is no relevant audit information of which the charitable company's auditors are unaware and

b. we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of than information.

APPOINTMENT OF AUDITOR

The re-appointment of Haysmacintyre LLP as auditors to the BDBF will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

Registered Address	Diocesan Offices, Clayton House, Walker Office Park, Blackburn BB1 2QE	
Trustees/Directors		
Ex-Officio	Rt Revd J T Henderson	
	Rt Revd P J North	
	Rt Revd J L C Duff	
	Very Revd P Howell-Jones	
	Ven M C Ireland	
	Ven D Picken	
Ex-Officio elected position	Mr R J Collins	
	Mr T D Cox	
	Revd Canon A McHaffie	(resigned 31 December 2021)
	Revd M Wolverson	(resigned 31 December 2021)
Ex-Officio appointed	Mr D Barlow	
	Mr N P Aves	
	Revd Canon A G Sage	
Co-opted	Mr D J Wilkinson	
Elected Clergy	Revd Canon A Holliday	
	Revd P A Lillicrap	
	Revd J Nash	(resigned 31 December 2021)
Elected Lay Persons	Mr G D Burrows	(resigned 31 December 2021)
	Dr A Carter	
	Professor R Carter	
	Canon M L Chew	(resigned 31 December 2021)
	Mr M Gardner	
	Ms J M Stamper	
Appointed after end of year but prior to signing of the financial statements	Revd Dr R B Aechtner	(appointed 01 January 2022)
	Mrs Alison Wynne	(appointed 01 January 2022)
	Revd Canon S Cox	(appointed 01 January 2022)
	Revd Canon A S Horsfall	(appointed 01 January 2022)
	Revd Munawar Din	(appointed 01 January 2022)
	Mr P J Ronson	(appointed 01 January 2022)

Key management personnel and advisers

Diocesan Secretary, Company Secretary	Canon G Pollard (resigned 31 December 2021)
Head of Finance, Deputy Diocesan Secretary	Mrs R McGaughey
Solicitors	Napthens LLP, Darwen House, Walker Office Park, Blackburn BB1 2QE
Insurers	Ecclesiastical Insurance Office, Beaufort House, Brunswick Road, Gloucester GL1 1JZ
Bankers	National Westminster Bank, 35 King William St, Blackburn BB1 7DJ

Investment Managers	CCLA Investment Management Ltd, Senator House, 85 Queen Victoria St, London EC4V 4ET
Registered Auditor	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Glebe and Land Agent	Lea Hough & Co LLP, Phoenix Park, Blackburn BB1 5RW
Whalley Abbey Architect	Mr I Wilson, Ivan Wilson Architects Ltd, Waterloo Mill, Waterloo Rd, Clitheroe, Lancashire BB7 1LR

ATTENDANCE OF DIRECTORS AT MEETINGS IN 2021

		Total	
Ex officio	Mr N P Aves	5/5	
	Mr D Barlow	5/5	
	Mr R J Collins	5/5	
	Mr T D Cox	3/5	
	Rt Revd J L C Duff	5/5	
	Rt Revd J T Henderson	5/5	
	Very Revd P Howell-Jones	4/5	
	Ven M C Ireland	4/5	
	Rt Revd P J North	4/5	
	Ven D Picken	5/5	
	Revd Canon A G Sage	5/5	
	Revd Canon A McHaffie	3/3	(resigned 31 December 2021)
	Revd M Wolverson	4/4	(resigned 31 December 2021)
Co-opted	Mr D J Wilkinson	5/5	
Elected Clergy	Revd Canon A Holliday	4/5	
	Revd P A Lillicrap	5/5	
	Revd James Nash	3/5	(resigned 31 December 2021)
Elected Lay Persons	Mr G D Burrows	5/5	
	Dr A Carter	4/5	
	Professor R Carter	4/5	
	Canon M L Chew	0/5	(resigned 31 December 2021)
	Mr Melvyn Gardner	5/5	
	Ms J M Stamper	5/5	

By order of the Board approving both the Directors' Report and Strategic Report

David Barlow.

Mr D Barlow
Chair of the Board of Finance

Nick Aves.

Mr N P Aves
Vice-chair of the Board of Finance

11 June 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

Opinion

We have audited the financial statements of The Blackburn Diocesan Board of Finance Limited for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and concluded that the risk was low. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;

- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

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

Use of our report

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

Adam Halsey
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 11 June 2022

10 Queen Street Place
London EC4R 1AG

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

	Note	Unrestricted funds: General £000	Unrestricted funds: Designated £000	Restricted funds £000	Endowment funds £000	Total funds 2021 £000	Total funds 2020 £000
Income and endowments from:							
Donations and legacies							
Parish contributions		7,469	-	-	-	7,469	7,160
Archbishops' Council and Church commissioners	2	63	-	2,688	-	2,751	3,235
Other	3	110	79	116	12	317	453
Charitable activities: statutory fees, chaplaincy and other income	4	126	-	602	-	728	508
Other trading activities	5	161	-	108	108	377	424
Investments	6	226	13	463	30	732	722
Other	7	330	-	709	65	1,094	350
Total Income and endowments		8,485	92	4,686	205	13,466	12,852
Expenditure on:							
Raising funds	8	229	-	10	25	264	185
Charitable activities	9	2,901	38	8,262	1,219	12,410	11,338
Other		-	-	45	148	193	95
Total Expenditure	10	3,130	38	8,307	1,392	12,867	11,618
Net income/(expenditure) before investments		5,355	54	(3,621)	(1,187)	601	1,234
Net (loss)/gains on investments	18	927	61	37	2,072	3,097	1,044
Net income/(expenditure) before transfers		6,282	115	(3,584)	885	3,698	2,278
Transfers between funds	12	(5,580)	292	3,502	1,786	-	-
Net income/(expenditure) before other recognised gains and losses		702	407	(82)	2,671	3,698	2,278
Other recognised gains/(losses)							
Gain/(loss) on revaluation of fixed assets	18	99	-	-	154	253	134
Gain/(loss) on defined benefit pension schemes		(22)	-	-	-	(22)	(38)
Net movement in funds		779	407	(82)	2,825	3,929	2,374
Reconciliation of funds							
Total funds at 1 January 2021		8,496	2,626	11,069	47,089	69,260	66,886
Total funds at 31 December 2021	24	9,276	3,033	10,987	49,894	73,189	69,260

All activities derive from continuing activities. The notes on pages 25 to 52 form part of the financial statements.

Details of comparative figures (2020) for the Statement of Financial Activities by fund are disclosed in note 30.

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2021

	2021 £000	2020 £000
Total income	13,263	12,495
Total expenditure	(11,475)	(10,819)
Operating surplus/(deficit) for the year	1,788	1,676
Net gains on investments	1,025	322
Net income for the year	2,813	1,998
Other comprehensive income:		
Net assets transferred to/(from) endowments	1,027	(987)
Actuarial (losses)/gains on defined benefit pension schemes	(22)	(38)
Total comprehensive (expenditure)/income	3,818	973

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

BALANCE SHEET

at 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed Assets					
Tangible Assets	17	40,271		40,407	
Investments	18	24,694		21,584	
Investment Property	18	1,861		1,837	
			66,826		63,828
Current assets					
Stocks		1		5	
Debtors (amounts receivable after more than one year: £508,000 (2020:£ 840,000))	19	2,018		1,247	
Deposits and Cash at bank and in hand		6,202		6,277	
		8,221		7,529	
Creditors: amounts falling due within one year	20	(900)		(701)	
Net current assets			7,321		6,828
Creditors: amounts falling due after more than one year	20	(575)		(707)	
Provisions for liabilities: Pensions and similar obligations	20	(383)		(689)	
			(958)		(1,396)
Net Assets	23		73,189		69,260
Capital and Reserves					
Endowment funds (including investment revaluation reserve of £9,262,000 (2020: £7,196,000))	26		49,894		47,069
Restricted funds (including investment revaluation reserve of £52,000 (2020: £9,000))	25		10,987		11,069
Unrestricted funds (including investment revaluation reserve of £4,359,000 (2020: £3,432,000))	24		9,275		8,496
Designated funds (including investment revaluation reserve of £274,000 (2020: £213,000))	24		3,033		2,626
			73,189		69,260

The notes on pages 25 to 55 form part of the financial statements.

These financial statements were approved by the Directors and were signed on their behalf on 11 June 2022 by:

Mr D Barlow
Chair of the Board of Finance

Mr N P Aves
Vice-chair of the Board of Finance

CASH FLOW STATEMENT

for the year ended 31 December 2021

	2021 £000	2021 £000	2020 £000	2020 £000
Net income before other recognised gains and losses	601		1,234	
(Gains)/Losses on disposal of fixed assets	(957)		(309)	
(Gains)/Losses on disposal of investments	(19)		95	
Depreciation	159		89	
Decrease/(increase) in stock	4		(1)	
(Increase)/decrease in debtors	(752)		(79)	
(Decrease)/increase in creditors current liabilities	199		132	
Movement in pension commitment	(329)		(397)	
Cash (outflow)/ inflow from operating activities		(1,094)		764
Net income from investing activities				
Purchase of tangible fixed assets	(2,301)		(1,792)	
Proceeds of sale of fixed assets	3,334		1,059	
Purchase of investments	(12)		(12)	
Proceeds of sale of investments	149		1,000	
Net cash inflow/(outflow) from investing activities		1,170		255
Net cash inflow/(outflow) from financing activities				
Repayments of borrowing	(132)		-	
Loan repayments received	62		56	
New loans made	(81)		(323)	
Net cash inflow/(outflow) from financing activities		(151)		(267)
(Decrease)/increase in cash in the year		(75)		752
Cash and cash equivalents at the beginning of the year		6,277		5,525
Cash and cash equivalents at the end of the year		6,202		6,277

Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	2,542	2,666
Short term deposits	3,660	3,611
	6,202	6,277

The notes on pages 25 to 55 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities SORP (2015) and applicable accounting standards FRS102, and under the historical cost convention adjusted for the revaluation of certain fixed assets.

The Directors are satisfied that there are no material uncertainties about the charitable company's ability to continue in operational existence for the foreseeable future. The Trustees have taken into account the effect of the Covid 19 pandemic on its operations. The Trustees believe they have sufficient reserves to allow time to adjust the operations of the charitable company to meet the changed circumstances. Accordingly, they continue to adopt the going concern basis in preparing the Trustees' annual report and financial statements.

The Directors believe that the charitable company is a public benefit entity.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, 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 reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and the assumptions used in determining the value of the pension scheme deficit.

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

Fixed assets and depreciation

Assets with a value in excess of £500 are capitalised. Depreciation is provided for on the jointly owned Diocesan Offices and Whalley Abbey Retreat and Conference House. No other depreciation is provided on the charitable company's freehold buildings including parsonage houses (explanation regarding parsonage houses is included in note 18) as the depreciation charge is immaterial. Freehold land is not depreciated.

As it is the charitable company's policy to maintain houses to a high standard, in accordance with a planned approach to repair and maintenance, such properties maintain residual disposal values in aggregate at least equal to their book values.

The charitable company will perform annual impairment testing of assets on which depreciation is not provided to determine whether residual values of housing properties in aggregate continue to exceed carrying value.

The Company holds all Heritage assets at an accurate valuation wherever possible. Where not possible they are held at depreciated value.

Depreciation is provided to write off the cost less the estimated residual value of other tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold property	30 years or, if shorter, the remainder of the lease term
Diocesan Offices	50 years on property
	20 years on remodelling
Whalley Abbey Retreat and Conference House	15 years to a residual value of £500,000
Fixtures, fittings and office equipment	4-10 years
Heritage asset	15 years

Fixed asset investments

Fixed asset investments are stated at market value at the balance sheet date. Movements in market value arising during the year are shown as unrealised gains or losses on fixed asset investments in the Statement of Financial Activities.

Investment properties

Investment properties are included at their fair value.

Glebe land is recognised as held for investment purposes when it is held to rent out or there is a signed developers agreement.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Income

Parish contributions

Income includes amounts received from Parochial Church Councils in respect of parish share for general, stipends fund and parsonage house fund assessments. Parish share is recognised in the accounts when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

Income from Archbishops' Council and Church Commissioners

Money from National Church Institutions is recognised when entitlement is probable.

Other donations, grants, legacies and similar income

Grants and donations receivable towards the cost of additions or improvements to freehold buildings are credited to income in the period to which they relate. Other grants are recorded as income when entitlement is probable. Other donations are recorded as income when received.

Other trading activities

The income from these sources is recognised on an accruals basis

Investment income

Investment income is recognised on an accruals basis.

Expenditure

Expenditure has been charged to the Statement of Financial Activities on an accruals basis. Expenditure relating directly to the objectives of the charity is shown as direct charitable expenditure.

Grants payable

Grants payable are debited to expenditure when the charitable company has a constructive obligation to pay.

Ministry in Parishes

Ministry in Parishes includes the stipends, NI, pensions, housing costs and any direct expenses paid by the charitable company for ministers located in parishes.

Ministry Support

Ministry Support includes the costs of the charitable company that provide either a direct service to the parishes or to the community of the parish. It also includes the National Training costs paid to National Church for the training of Ordinands and the costs of Whalley Abbey the retreat house of the Diocese.

Support and Governance Costs

Governance costs includes audit fee, trustee meeting expenses, Diocesan Synod expenses, Bishop's Council expenses and an allocation of costs based on estimated time spent preparing statutory information and for governance/ strategic issues, by the Finance Team, Diocesan Secretary and Support Services Team.

Support includes the costs of the finance team and general management not included under Governance costs. Support costs have been allocated based on an estimate of time spent in each area.

Taxation

The Blackburn Diocesan Board of Finance Limited (by guarantee) is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in independently administered funds. The amount charged in the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

The charitable company also participates in the Church Workers Pension Fund and the Church of England Funded Pension Scheme (see note 16). The assets of the defined benefit pension schemes are held separately from the charitable company in independently administered funds. The pension costs charged as expenditure represent the BDBF's contributions paid in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which the BDBF participates is accrued at current value.

Fund accounting

Funds held by the charitable company are either:

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds - this is capital, held in perpetuity to create income for specified purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

2. Archbishops' Council and Church Commissioners

	Unrestricted fund		Restricted	Endowment	Total funds	Total funds
	General	Designated	funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,355	-	1,355	1,310
Sustainability Funding	-	-	-	-	-	1,100
Resourcing Ministerial Education Block Grant	-	-	212	-	212	220
Pooling of Ordinands costs	-	-	-	-	-	25
Strategic Ministry Fund	-	-	213	-	213	48
Strategic Capacity Funding	33	-	55	-	88	87
Strategic Development Funding	-	-	853	-	853	445
Past Cases Review 2 Funding	30	-	-	-	30	-
	63	-	2,688	-	2,751	3,235

3. Other donations

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
Allchurches Trust	78	78	-	-	156	147
Donations	18	1	48	3	69	66
Other Grants	14	-	68	9	92	240
	110	79	116	12	317	453

4. Charitable activities

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	-	-	506	-	506	357
Church Commissioners - Guaranteed annuities	-	-	1	-	1	2
Recharge of staff costs	-	-	68	-	68	53
Whalley Abbey Conference House	57	-	-	-	57	21
Sale of publications	-	-	-	-	-	5
Income for training courses	36	-	-	-	36	24
Other fees/sales	33	-	27	-	60	46
	126	-	602	-	726	508

5. Other trading activities

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
Rental income	69	-	108	107	284	377
Whalley Abbey Conference House	38	-	-	-	38	7
Accounting and Legal services	18	-	-	-	18	18
Consultancy services	36	-	-	-	36	22
Other feos/sales	-	-	-	1	1	-
	161	-	108	108	377	424

6. Investment income

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
Dividends receivable	225	13	431	30	699	672
Interest receivable	1	-	1	-	2	16
Rents receivable	-	-	31	-	31	34
	226	13	463	30	732	722

7. Other income

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
Gains on disposal of fixed assets	325	-	689	36	1,050	335
Gains on disposal of investments	-	-	-	19	19	-
Loan interest	6	-	20	-	26	15
	330	-	709	55	1,094	350

8. Cost of raising funds

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
Project Management	12	-	-	-	12	12
Parish share						
Secretariat	12	-	-	-	12	8
Archdeacons	-	-	6	-	6	6
Bishop's Harvest Appeal	-	-	-	-	-	1
Investment Management Costs	3	-	1	-	4	5
Whalley Abbey Rents	41	-	-	-	41	-
Rents	6	-	3	25	34	43
Fundraising Trading Whalley Abbey	102	-	-	-	102	70
Fundraising Trading other	53	-	-	-	53	40
	229	-	10	26	264	185

9. Expenditure on charitable activities

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
Contributions to Archbishops' Council						
Training for ministry	302	-	-	-	302	302
National Church responsibilities	211	-	-	-	211	227
Grants and provisions	26	-	-	-	26	25
Mission Agency pension contributions	13	-	-	-	13	11
Retired clergy housing costs (CHARM)	111	-	-	-	111	109
Pooling of ordinand candidates costs	37	-	-	-	37	-
General Synod expenses	10	-	-	-	10	6
	710	-	-	-	710	680
Parish ministry						
Stipends & National Insurance	-	-	4,665	-	4,665	4,854
Pension contributions	1	-	1,346	-	1,347	1,161
Housing costs	44	1	291	1,219	1,555	936
Removal, resettlement and other grants	-	-	232	-	232	138
Other expenses	-	-	75	-	75	24
	45	1	6,609	1,219	7,874	7,113
Support for parish ministry	1,487	-	165	-	1,652	1,710
Whalley Abbey Conference House	192	-	-	-	192	252
Whalley Abbey House Renovation	-	-	-	-	-	35
Redundant churches	-	-	73	-	73	56
Strategic Development Funding Projects	-	3	717	-	720	318
St Philip's Centre Project	-	-	36	-	36	32
Grants to Parishes, Individuals and Other Charities	129	7	662	-	798	758
Sale of Publications	-	-	-	-	-	8
Miscellaneous Expenses	1	27	-	-	28	5
	1,809	37	1,643	-	3,489	3,174
Expenditure on education						
Grants for the work of the Board	337	-	-	-	337	371
	337	-	-	-	337	371
Charitable activities	2,901	38	8,252	1,219	12,410	11,338

10. Analysis of expenditure including allocation of support costs

	Activities undertaken directly £000	Grant funding of Activities £000	Manage-ment Admin Support £000	Total 2021 £000	Total 2020 £000
Fundraising Trading Whalley Abbey	102	-	-	102	70
Cost of raising funds	132	-	30	162	115
Contributions to Archbishops' Council	-	710	-	710	680
Resourcing ministry and mission	9,608	788	967	11,363	10,287
Education	-	337	-	337	371
Other	193	-	-	193	95
	10,035	1,835	997	12,867	11,618

11. Analysis of support costs

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General £000	Designated £000	Funds £000	Funds £000	2021 £000	2020 £000
Raising Funds	24	-	6	-	30	26
Central Administration	759	-	-		759	688
Governance costs						
Secretariat	71	-	-	-	71	48
Accounting and Finance Office	38	-	-	-	38	37
Audit & accountancy fees	23	-	-	-	23	19
Diocesan Synod costs	7	-	-	-	7	9
DBF Executive and Bishop's Council Meetings	12	-	-	-	12	20
Chancellor and Registrar Fees	57	-	-	-	57	98
	991	-	6		997	945

12. Analysis of transfers between funds

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2021
	£000	£000	£000	£000	£000
From general fund to stipends income fund (restricted) and parsonages fund (expendable endowment), to cover the deficits on net expenditure of those funds	(5,315)		4,237	1,078	-
From Pastoral Fund to Parsonages Fund – transfer costs of parsonages bought			(714)	714	-
From Parsonages Fund to Pastoral Fund – book value of parsonages transferred to the BDBF for disposal by pastoral schemes					-
From Stipends Income Fund to general fund for HR support cost relating to time spent on clergy HR matters	43		(43)		-
From Church Commissioners Grant (restricted) and Vision 2026 fund (designated) to general fund for the Vision Coordinator post	19	(19)			-
From general fund to designated training fund for expenditure on Diocesan conference in 2022	(60)	60			-
From Diocesan Vision 2026 Strategic Development fund to general fund and Parsonages fund to cover loss of income from houses used for projects	33	(49)		16	-
From general fund to Parish Vision Grant and Loan Fund for future parish awards	(300)	300			
From released endowment fund to restricted funds for parish Vision projects			22	(22)	-
	(5,580)	292	3,502	1,786	-

The funds that have been transferred have been used in line with any applicable restrictions and have been transferred to make the presentation of the expenditure more transparent. The spending of the funds has extinguished any restrictions.

13. Net income for the year

These are stated after charging:	2021 £000	2020 £000
Fees payable to the auditor for audit services	20	19
Fees payable to the auditor for non audit services	2	1
Whalley Abbey Conference House Trading Deficit	164	146

14. Staff numbers and costs

The average number of people employed during the year was 42.5 *(2020: 42.0)*.

The full-time equivalent employees during the year, including sessional workers, has been analysed by teams.

	2021	2020
Enablers and Obligations	17.8	18.9
Whalley Abbey Conference House	3.8	5.6
Vision 2026 Coordinator	1.7	1.6
Growing Leaders	4.3	3.6
Making Disciples	1.1	2.4
Being Witnesses	1.4	1.3
Urban Evangelists	4.3	2.4
	34.4	35.8

Certain of the costs with reference to the staff numbers analysis by teams above, are recovered from DBE Services Ltd (0.4), Blackburn Diocesan Board of Education (1.3) and Strategic Development Funding (4.3).

The aggregate payroll costs of all employees were as follows:

	2021 £000	2020 £000
Wages and salaries	1,136	1,238
Redundancy and settlement payments	94	93
Social security costs	108	118
Other pension costs	182	186
	1,520	1,635

There was one employee whose salary was in excess of £60,000 in the band £110,000 to £120,000 *(2020: one employee in the band £70,000 to £80,000)*. Pension contributions in respect of this employee were £80,382 *(2020: £30,743)*. In the year, the employee chose to salary sacrifice £50,000 as an additional pension contribution.

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary:	Canon Graeme Pollard
Head of Finance and Deputy Diocesan Secretary	Mrs Ruth McGaughey

Remuneration, pensions and expenses for these 2 employees amounted to £282,903 *(2020: £196,992 for 2 employees)*.

In addition to the foregoing numbers of persons employed by the charitable company in 2021 there were 165.8 *(2020: 169.5)* full time equivalent stipendiary clergy in post in the Diocese. These may be analysed as follows:

	2021	2020
Archdeacons	2.0	1.9
Incumbents	133.6	139.2
Assistant Curates	29.2	25.4
Lay Workers	1.0	3.0
	166.8	169.5

The average number of stipendiary clergy in post during 2021 was 180 *(2020: 176)*.

Although not employed by the charitable company the payroll costs of the above persons are met by the charitable company and are included in the financial statements. The aggregate payroll costs of the above persons are as follows:

	2021 £000	2020 £000
Stipend	4,403	4,442
Redundancy and settlement payments	9	30
Social security costs	349	357
Apprenticeship Levy	20	21
Pension costs - current year	1,381	1,171
- interest costs	1	9
	6,163	6,030

Trustees' emoluments

	Average number of directors 2021	2020
Directors	23	23.6

No trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £9,922 *(2020 - £7,185)* in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Trustees.

Trustees who are also licensed stipendiary clergy and archdeacons in the Diocese were in receipt of a stipend and housing provided by the BDBF during the year. The BDBF is also responsible for the provision of housing for the Suffragan Bishops but excluding the Diocesan Bishop and cathedral staff.

15. Pension schemes

Church of England Funded Pension Scheme

The BDBF 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 Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

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

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

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

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

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

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

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

	2021 £'000	2020 £'000
Balance sheet liability at 1 January	596	1,048
Deficit contribution paid	(301)	(499)
Interest cost (recognised in SoFA)	1	9
Remaining change to the balance sheet liability* (recognised in SoFA)	22	38
Balance sheet liability at 31 December	318	596

* Comprises change in agreed deficit recovery plan and change in discount rate 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. In general, these are set by reference to the duration of the deficit recovery payments but as 31 December 2021, under accounting rules the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

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

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

Group Personal Pension Plan

The BDBF participates in a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the BDBF in an independently administered fund. The pension cost charge for the year represents contributions payable by the BDBF to the fund.

Church Workers Pension Fund

The BDBF (DBS) participates in the Defined Benefits Scheme section of the 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 two sections:

1. The defined Benefits Fund
2. The Pension Builder Scheme, which has two subsections;
   (a) A deferred annuity section know as Pension Builder Classic, and,
   (b) A cash balance known as Pension Builder 2014.

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, the 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 the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if DBS 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 2021: £57,057 *(2020: £60,088)*.

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

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

The next actuarial valuation is due at 31 December 2022.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 45.2% of pensionable salary and expenses of £3,200 per year.

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

Joint Movement	2021 £'000	2020 £'000
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	-	-
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate 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 2021	December 2020	December 2019
Discount rate	0.00%	0.00%	0.00%

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.

Parsonages Board Retirement Benefit Schemes

The Parsonages Board Retirement Benefit Schemes contains one scheme with one member. It is a defined benefit scheme with the Ecclesiastical Insurance Group.

The scheme is not considered material within the assets of the Blackburn Diocesan Board of Finance and due to the cost to the charity of obtain information on the scheme the Blackburn Diocesan Board of Finance have not complied in full with the requirements of FRS102.

The deficit was recognised at 1 January 2014 based on the triannual valuation (2013) of £94,200. The SOFA has been charged with the future service contribution rate with the past service deficit reducing the balance sheet liability in the intervening years. The balance sheet deficit has been adjusted on receipt of the latest triannual valuation report (June 2019). The deficit recognised at 31 December 2021 is £64,700.

16. Analysis of grants made

	Nbr	Grants to Individuals £000	Grants to Institutions £000	2021 Total £000	2020 Total £000
From Unrestricted Funds for national Church responsibilities					
Contributions to Archbishops Council	5	-	399	399	372
Training	1	-	302	302	302
General Synod Expenses	12	10	-	10	6
From Unrestricted Funds to					
Grants to Ordinands	14	123	-	123	127
Grant to Board of Education	1	-	337	337	369
Churches Together in Lancashire	1	-	6	6	6
Together Lancashire	-	-	-	-	10
From Designated Funds to					
Parishes from Allchurches fund	4	1	5	6	14
From Restricted Funds to					
Parishes from Parish Vision Grant fund	25	-	99	99	128
Inter Diocesan Counselling Service	1	-	6	6	5
Parishes from Allchurches Trust	-		-	-	5
Ordinands from RME fund	25	18	-	18	20
Retired Clergy and Clergy Widows	183	50	-	50	44
Charities nominated at Bishops Harvest Appeal	2	-	22	22	24
Parishes from Lower Income Communities Funding	14	-	204	204	198
Other Grants to Parishes	4	-	227	227	177
Other Grants to Clergy and Ordinands	-	-	-	-	1
Total Grants Payable	294	202	1,607	1,809	1,808

17. Tangible fixed assets

	Parsonages £000	*Non Parsonages/ Land* £000	Total Freehold land and buildings £000	Long leasehold buildings £000	Fixtures, fittings and office equipment £000	Total £000
Cost or valuation						
At beginning of year	26,688	14,518	41,206	316	238	41,760
Additions	714	1,548	2,262	-	39	2,301
Disposals	-	(2,377)	(2,377)	-	(13)	(2,390)
Revaluation	-	-	-	99	-	99
Impairment		(100)	(100)	-	-	(100)
At end of year	27,402	13,589	40,991	415	264	41,670
Depreciation						
At beginning of year	-	946	946	275	132	1,363
Charge for year	-	16	16	10	33	59
Disposals	-	-	-	-	(13)	(13)
At end of year	-	962	962	285	152	1,399
Net book value						
At 31 December 2021	27,402	12,627	40,029	130	112	40,271
At 31 December 2020	26,688	13,572	40,260	41	106	40,407

Parsonage houses are legally vested in the incumbent (an "ecclesiastical corporation sole") as freeholder during his incumbency. Three features of the incumbent's freehold have significantly influenced the accounting treatment adopted in these financial statements. Firstly, the freeholder is not free to disposa of the house for personal benefit and is not responsible for maintaining the house. Secondly, proceeds of any sale, following a pastoral reorganisation which makes the house surplus, normally revert to the Diocesan Pastoral Account or Diocesan Stipends Fund. Thirdly, the Diocese is responsible for repair and maintenance, a responsibility which is currently carried out by the Diocesan Property Committee. The Diocese therefore carries both the benefits and obligations of ownership, and accordingly the financial statements include the parsonage houses together with other Diocesan land and buildings.

Parsonage houses and other Diocesan residential houses have been included in tangible fixed assets at cost, or valuation where cost was not available for houses purchased prior to 1998. The valuation attributed to each house was the mid-point (low point for the top two bands) of the council tax valuation banding applied to the house. The aggregate value of the houses valued in this way amounted to £20,319,000 *(2020: £20,724,000)*.

Heritage Asset

Whalley Abbey was bought from the Diocese of Manchester in 1926. It comprises substantial remains of a Cistercian Abbey founded in 1296 and dissolved in 1537.

The Abbey of St Mary the Virgin, also known as Locus Benedictus de Whalley was founded by Henry de Lacy, third Earl of Lincoln on the 4th April 1296. The Abbey had moved from the unfavourable site of Stanlaw into the Parsonage and other temporary buildings at Whalley in 1283, when there were 20 monks.

Excavation has uncovered the outlines of the church, surviving as foundations, as does the eastern claustral range and the polygonal Chapter House.

The standing Abbey buildings and Conference House

The following notes are extracted from the Conservation Plan prepared in 2002.

The Conservation Plan was compiled under the direction of John Prichard (Lloyd Evans Prichard), architect accredited in building conservation, with architectural history advice from James Anderson and Clare Hartwell (Architectural History Practice), and archaeological advice from Jason Wood (Heritage Consultancy Services).

North-East Gatehouse

The North-East Gatehouse dates to circa 1480, and was constructed to provide an impressive entrance to the Abbot's Lodging and *Clausum*, the sacred precinct. It echoes the earlier North-West Gatehouse with its two entrance ways, but is embellished with diagonal buttresses, crenelation, and a statue niche.

Courtyard North Range

The Courtyard North Range may include some medieval content, but the present structures are principally seventeenth century, with nineteenth-century additions, and substantial late twentieth-century alterations to create the tea room, kitchen, and exhibition room. It is excluded from the scheduling.

The Conference House

The Conference House is excluded from the scheduling, but it deserves its Grade I status and is of national significance. The individual components are considered below, and elements of significance discussed.

The central block includes original medieval fabric, such as the arch adjacent to the chapel, as well as medieval stonework which has probably been re-used from demolished structures, such as the window between the Dining Room and the kitchen. The nineteenth century interiors are a very good example of Gothic Revival/Arts and Crafts work; particularly noteworthy is the roof and fireplace in the Great Hall and the staircase decorated windows.

The East Wing

The East Wing extends south from the chapel and comprises inter alia the Paslew Suite and the Peter of Chester room on the ground floor, and seven bedrooms on the first floor. The Paslew Suite and Peter of Chester room may incorporate medieval material, but they, and the bedrooms immediately above, were substantially rebuilt in the late sixteenth century, as evidenced by the mullioned windows in the east wall, the date stone (not always a true indicator and the dating of Forrest Historic by English Heritage during the 21stC refurbishment works. An extension was added in the mid-nineteenth century, with bedrooms above.

The West Wing

The West Range was added in the 1860s, and was well designed externally to blend with the late seventeenth-century gabled north extension, and the remains of the Abbot's Kitchen and Long Gallery Range on the west.

The BDBF recognises its responsibility to preserve the heritage asset and is currently looking to raise funds to be able to undertake work on the ruins. It does not intend to acquire other heritage assets. Whalley Abbey grounds are open to the public to view the ruins but access is restricted to the buildings on the site.

The current asset value for Whalley Abbey is £0.9m after a major refurbishment of the house in 2004. The asset is being depreciated over 15 years to £0.6m. The depreciated value represents the value in the accounts of the whole site and is based on an indication made by a local surveyor. It is difficult to obtain an accurate valuation for the site as the ruins represent a continued liability for their maintenance and upkeep which considerably reduces the value of the asset if sold in its entirety.

18. Investments and investment property

	Investment Property	Unlisted CBF Investments	Others investments	Total investments
	£000	£000	£000	£000
At valuation				
At beginning of year	1,837	21,569	15	23,421
Additions	-	12	-	12
Disposals	(130)	-	-	(130)
Increase (decreaso) in market value	154	3,096	-	3,250
At end of year	1,861	24,677	15	26,553
At historic cost	540	10,730	15	11,285

Investment property is Diocesan glebe land vested in the DBF under the Endowments and Glebe Measure 1976 that is held for the purposes of producing income for clergy stipends. The glebe land is measured at fair value at the year end by an independent RICS registered valuer. The valuation has been undertaken in accordance with International and RICS Valuation Standards and has been based upon the valuer's experience in the valuation of agricultural, institutional and amenity land within the Lancashire and wider north-west region.

Unlisted investments are made up of Central Board of Finance investments in Church of England Investment Fund shares, Property Fund shares and Fixed Interest Securities.

19. Debtors

	2021	2020
	£000	£000
Amounts receivable within one year		
Prepayments and accrued income	442	339
Other debtors	677	39
Amount owed by related parties (Cidari Education)	6	6
Loans to related parties (Emmanuel Theological College)	10	-
Loans to parishes	375	21
Loans to individuals	-	2
	1,510	407

	£000	£000
Amounts receivable after more than one year		
Loans to parishes	497	819
Loans to related parties (Emmanuel Theological College)	-	10
Amount owed by related parties (Cidari Education)	11	11
	508	840

20. Creditors

	2021 £000	2020 £000
Amounts falling due within one year		
Trade creditors	314	189
Other creditors (taxation and social security)	51	35
Other creditors	79	260
Accruals	278	103
Amounts owed to related parties (BDBE)	170	114
	900	701

	2021 £000	2020 £000
Amounts falling due after more than one year		
CCLA loans	418	550
Due to Churches Conservation Trust	157	157
Provisions for liabilities: Pension deficit	383	689
	958	1,396

The long term loans from CCLA are flexible loan facilities subject to a maximum repayment term of 10 years. There are no current plans to make any payments in the next 12 months.

The amount owed to Churches Conservation Trust is due on disposal of five redundant church buildings.

21. Commitments

Commitments at 31 December 2021, for which no provision has been made in these accounts, were as follows:

	2021 £000	2020 £000
Authorised, but not contracted:		
Parish Vision Grant Fund	98	148
Allchurches Grant Fund	55	10
Clergy Housing Fund	187	306
	340	464

22. Called up share capital

The charitable company is limited by guarantee, registered in England and does not have an authorised or allotted share capital.

23. Net assets analysed by fund

	Tangible Fixed Assets	Fixed Asset Investment	Net Current Assets	Long term Creditor	Net assets as at 31 December 2021
	£000	£000	£000	£000	£000
General Fund	1,798	7,392	986	(801)	9,275
Designated Funds	-	492	2,541	-	3,033
Total Unrestricted Funds	1,798	7,884	3,427	(801)	12,308
Pastoral Account	7,267	-	2,320	(157)	9,430
Other Restricted Funds	-	318	1,239	-	1,557
Total Restricted Funds	7,267	318	3,559	(157)	10,987
Parsonage Houses Fund	27,402	1,187	-	-	28,589
Stipends Capital / Housing Fund	3,804	12,079	330	-	16,213
Other Endowment Funds	-	5,087	5	-	5,092
Total Endowment Funds	31,208	18,353	335	-	49,894
Total	40,271	26,555	7,321	(958)	73,189

24. Unrestricted funds

Unrestricted funds comprise those funds which are available for application for the general purposes of the charity as set out in its governing document. Movements on this fund are as follows:

	At 1 January 2021 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2021 £000
General Fund	8,496	8,485	(3,130)	1,004	(5,580)	9,275

	At 1 January 2021 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2021 £000
Designated Funds						
Office Assets Fund	411	12	-	61	-	484
Parsonages Fund	324	-	(1)	-	-	323
Parish Vision 2026 Grant and Loan Fund	421	1	-	-	400	822
Diocesan Vision Strategic Development Fund	629	-	(2)	-	(49)	578
Diocesan Vision 2026 Fund	420	79	(2)	-	(19)	478
Allchurches Trust Grant Fund	298	-	(33)	-	-	265
Other Designated Funds	123	-	-	-	(40)	83
	2,626	92	(38)	61	292	3,033

General Fund

The general reserve represents those assets held by the Board for carrying out its general activities. It provides the assets and liquidity for the Board to carry out its objectives, including statutory compliance, administration of funds and some housing. The Board's policy is to maintain sufficient levels of cash and liquid assets to cover short term fluctuations in incoming resources. The Board were satisfied that the general reserves at the year end were within acceptable levels compared to this policy.

Designated Funds

Fund	Application/purpose
Income for specific purposes	Designated to provide income to specific purposes in the parish share budget
Office Assets Fund	Designated for repairs, renovation or for buying a new building in the future.
Parsonages Fund	For repairs and disability adaptation on parsonages in excess of parish share budget
Parish Vision 2026 Loan Fund	Designated to provide some of the loans to parishes to continue their mission projects
Diocesan Vision Strategic Development Fund	Designated to provide match funding necessary for Strategic Development Funding applications
Diocesan Vision 2026 Fund	Designated to contingencies for the development of the diocesan vision
Allchurches Trust Grant Fund	The fund assists with funding the cost of diocesan projects, building administration costs, education, parish mission projects and major building works.

25. Restricted funds

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

	At 1 January 2021 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2021 £000
Diocesan Pastoral Account	9,552	711	(119)	-	(714)	9,430
Diocesan Stipends Fund Income Account	-	1,317	(6,624)	-	5,307	-
Social Responsibility Projects	134	28	(36)	-	-	126
Parish Vision 2026 Grant Fund	148	26	(99)		23	98
Bishops Clergy Widows Fund	613	76	(50)	37	-	676
Bishops Ordination Fund	154	3	(5)	-	-	152
Resourcing Ministerial Education (RME) Fund	89	212	(178)	-	-	123
Bishop's Harvest Appeal	20	23	(24)		-	16
Bishop's Clergy in Need Fund	35	-	-	-	-	36
SDF Funded Projects	6	912	(944)	-	-	(26)
Lower Income Communities Funding	-	1,355	(204)	-	(1,115)	36
Parish Pastoral Fund	166	-	-	-	-	166
Other Restricted Funds	152	28	(26)	-	-	154
	11,069	3,686	(8,307)	37	3,502	10,987

The specific purposes for which the funds are to be applied are as follows:

Fund	Application/purpose
Diocesan Pastoral Account	Purposes are laid down in Section 78 of the Pastoral Measure 1983, the main purposes being: • Costs incurred for the purposes of the Measure or any scheme or order made by the measure except for salaries of regular diocesan employees • Costs of disposing of or maintaining houses or churches vested in the DBF or Commissioners • For the benefit of another diocese • Transfer to the DSF Capital or Income Funds
Diocesan Stipends Fund Income Account	Subject to any charges imposed by the 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

	• Paying secondary Class 1 contributions in respect of ministers not employed under a contract of service • Defray sequestrators' expenses
Social Responsibility Projects	The Social Responsibility section received funding for specific projects and for its general costs relating to those projects. Project funding was restricted to the project it had been requested for and approved expenditure is applied against the funding in accordance with the funders rules.
Parish Vision 2026 Grant Fund	The Grant Fund exists to enable parishes to fulfil mission opportunities, normally through the appointment of lay workers.
Bishops Clergy Widows Fund	The Bishop's Clergy Widows Fund is used to help clergy widows and retired clergy in cases of financial hardship, particularly with housing costs. It funds the cost of social events and the cost of the Diocesan Officer and Bishop's visitors.
Bishops Ordination Fund	The Ordination Fund is used to assist with meeting the costs of Ordinands in training.
Bishop's Harvest Appeal	Each year the Bishop selects a charity to benefit from his Harvest Appeal. Parishes, Schools and individuals within the Diocese collect money in support of this charity and the monies are distributed by the Diocese in accordance with the appeal.
Bishop's Clergy Fund	The fund was established by transfer of some of the Extra Mission and Ministry funds received from the Archbishops' Council 2008 – 2010. Grants from the fund are awarded at the discretion of the Bishop, to serving clergy in the Diocese.
Resourcing Ministerial Education (RME) Fund	Specific funding for Ordinands in training from National Church.
Strategic Development Fund, Funded Projects	Specific funding for the Outer Estates project and Preston Resourcing parish from National Church
Lower Income Communities Fund	Funding to promote the growth of churches in Lower Income Communities
Parish Pastoral Fund	This fund reflects monies ring fenced from the sale of a vicarage in a parish where no scheme for pastoral re-organisation is currently in place. The monies must be held until either a vicarage is purchased, or a scheme is put in place.

26. Endowment funds

The endowment funds are held on trust to be retained for the benefit of the Charity as a capital fund. Where the whole of the fund must be permanently maintained it is known as permanent endowment. Where there is power of discretion to convert endowed funds into income, the fund is classified as expendable endowment.

	At 1 January 2021	Income	Expenditure	Gains and losses	Transfers	At 31 December 2021
	£000	£000	£000	£000	£000	£000
Expendable endowment						
Diocesan Stipends Fund Capital Account	14,869	55	(148)	1,437	-	16,213
Parsonage Houses Fund	27,725	150	(1,244)	149	1,809	28,589
	42,594	205	(1,392)	1,586	1,809	44,802
Permanent endowment						
Bishops Clergy Widows Fund	2,241	-	-	321	-	2562
Maintenance of the Ministry	311	-	-	45	-	356
General purposes	387	-	-	55	-	443
Whalley Abbey	170	-	-	24	-	194
Other endowments	102	-	-	15	(23)	94
Stipends	1,264	-	-	180	-	1,443
	4,475	-	-	640	(23)	5,092
	47,069	205	(1,499)	2,226	1,786	49,894

Expendable endowments

The Diocesan Stipends Fund Capital Account

This fund represents the value of glebe property and investments at the balance sheet date.

The account is governed by the Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure 1992.

Income arises from the sale of glebe assets, the transfer of parsonage sale money, transfers from the DSF Income account, as well as gifts, bequests and donations.

The main function of the fund is to produce income for the stipends, but it may also be used for other purposes including: acquiring glebe property, investing in a subsidiary, developing and protecting glebe amenities, investment, discharging loans and levies on glebe, improving parsonage houses and discharging any loans made by the Church Commissioners under the Endowments and Glebe Measure 1976.

Parsonages Houses fund

This fund represents the value of benefice houses at the balance sheet date, together with the Parsonages Building Fund held by the Church Commissioners and investments held by the Parsonages Board. The houses are used to provide accommodation for the parochial clergy.

The Diocese is not free to dispose of the houses except in accordance with the appropriate measure. There is provision for the net proceeds of sale to be applied to either the Diocesan Pastoral Account or Diocesan Stipends Fund Capital once a disposal has been effected.

Permanent endowments

The permanent endowments are established under a variety of trust deeds and documents which require the funds to be held in perpetuity. The income of the funds is to be applied to the Bishops Clergy Widows fund, Maintenance of the Ministry fund, General purposes fund, Diocesan Stipends Income fund, Whalley Abbey fund and other smaller endowment funds.

27. Related parties' transactions

During the year the company shared office space with the Blackburn Diocesan Board of Education, Cidari Education Ltd and Blackburn Cathedral. In addition, consultancy and HR support was provided to Emmanuel Theological College. Shared and staff time expenditure has been recharged at cost.

	2021 Recharges (excl. VAT)	2021 Grants made to related parties	2020 Recharges (excl. VAT)	2020 Grants made to related parties
	£	£	£	£
Blackburn Diocesan Board of Education	15,953	336,914	15,474	371,045
Cidari Education Ltd	9,887	-	9,836	-
Blackburn Cathedral	24,570	-	14,464	-
Emmanuel Theological College (formally the All Saints Centre for Mission and Ministry)	28,292	-	43,334	-

During the year £128,798 has been paid to Emmanuel Theological College (formally the All Saints Centre for Mission and Ministry) for training of readers and ordinands (*2020: £93,268).*

At the year end the balances due from related parties were as follows:

	Outstanding Trade Balances at 31/12/2021	Outstanding Loan Balances at 31/12/2021	Outstanding Trade Balances at 31/12/2020	Outstanding Loan Balances at 31/12/2020
	£	£	£	£
Cidari Education Ltd	17,048	-	16,865	-
Blackburn Cathedral	17,857	745,791	9,854	725,854
Emmanuel Theological College (formally All Saints Centre)	70	10,000	-	10,000

At 31 December 2021 there was a balance due to the Blackburn Diocesan Board of Education of £178,185 (*2020: ££113,688)* and balance due to Emmanuel Theological College of £9,681 (*2020: £nil*).

During the year donations received from trustees amounted to £4,102 (*2020: £4,124*). No donations have been received from key management personnel (*2020: £nil*).

28. Financial instruments

	2021	2020
	£000	£000
Financial assets measured at fair value	26,553	23,421
Financial assets measured at amortised cost	8,220	7,524
Financial liabilities measured at amortised cost	1,701	1,940
Financial liabilities measured at fair value	157	157

Financial assets measured at fair value comprise investments.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and receivables and parish loans.

Financial liabilities measured at amortised cost comprise accruals, other creditors, the Clergy Pension Scheme liability and amounts held for other bodies.

Financial liabilities measured at fair value comprise value linked loans.

29. Funds held as custodian trustee

The BDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. PCC trust investment assets held by the BDBF have been summarised below at market value:

	2021	2020
	£000	£000
CBF Church of England Deposit fund	4,811	5,120
CBF Church of England Investment fund	12,034	10,739
CBF Church of England Fixed Interest fund	336	384
CBF Church of England Property fund	70	61
Other	44	44
Cash at bank	2	5
Total assets held as custodian trustee	17,297	16,353

The BDBF also acts as custodian trustee in relation to Parochial Church Council (PCC) property. These assets are held separately to those of the BDBF.

30. Prior year comparative Statement of Financial Activities

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			2020
	£000	£000	£000	£000	£000
Income and endowments from:					
Donations and legacies					
Parish contributions	7,160	-	-	-	7,160
Archbishops' Council and Church commissioners	1,155	-	2,080	-	3,235
Other	105	152	169	27	453
Charitable activities: statutory fees, chaplaincy and other income	75	-	433	-	508
Other trading activities	143	-	141	140	424
Investments	226	12	455	29	722
Other	6	1	182	161	350
Total income and endowments	8,870	165	3,460	357	12,852
Expenditure on:					
Raising funds	145	-	12	28	185
Charitable activities	3,039	65	7,558	676	11,338
Other	-	-	-	95	95
Total Expenditure	3,184	65	7,570	799	11,618
Net income/(expenditure) before investments	5,686	100	(4,110)	(442)	1,234
Net (loss)/gains on investments	309	27	(14)	722	1,044
Net income/(expenditure) before transfers	5,995	127	(4,124)	280	2,278
Transfers between funds	(4,670)	(45)	3,727	988	-
Net income/(expenditure) before other recognised gains and losses	1,325	82	(397)	1,268	2,278
Other recognised gains/(losses)					
Gain/(loss) on revaluation of fixed assets		-	-	134	134
Gain/(loss) on defined benefit pension schemes	(38)	-	-	-	(38)
Net movement in funds	1,287	82	(397)	1,402	2,374
Reconciliation of funds					
Total funds at 1 January 2020	7,209	2,544	11,466	45,667	66,886
Total funds at 31 December 2020	8,496	2,626	11,069	47,069	69,260

31. Prior year comparative Archbishops' Council and Church Commissioners

	Unrestricted fund		Restricted	Endowment	Total funds
	General	Designated	funds	Funds	2020
	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,310	-	1,310
Sustainability Funding	1,100	-	-	-	1,100
Resourcing Ministerial Education Block Grant	-	-	220	-	220
Pooling of Ordinands costs	25	-	-	-	25
Strategic Ministry Fund	-	-	48	-	48
Strategic Capacity Funding	30	-	57	-	87
Strategic Development Funding	-	-	445	-	445
	1,155	-	2,080	-	3,235

32. Prior year comparative Other donations

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£000	£000	£000	£000	£000
Allchurches Trust	-	147	-	-	147
Donations	5	5	56	-	66
Other Grants	100	-	113	27	240
	105	152	169	27	453

33. Prior year comparative Charitable activities

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	-	-	357	-	357
Church Commissioners -Guaranteed annuities	-	-	2	-	2
Recharge of staff costs	-	-	53	-	53
Whalley Abbey Conference House	21	-	-	-	21
Sale of publications	5	-	-	-	5
Income for training courses	21	-	3	-	24
Other fees/sales	28	-	18	-	46
	75	-	433	-	508

34. Prior year comparative Other trading activities

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£000	£000	£000	£000	£000
Rental Income	96	-	141	140	377
Whalley Abbey Conference House	7	-	-	-	7
Accounting and Legal services	18	-	-	-	18
Consultancy services	22	-	-	-	22
	143	-	141	140	424

35. Prior year comparative Investment Income

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£000	£000	£000	£000	£000
Dividends receivable	217	12	414	29	672
Interest receivable	9	-	7	-	16
Rents receivable	-	-	34	-	34
	226	12	455	29	722

36. Prior year comparative Other income

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£000	£000	£000	£000	£000
Gains on disposal of fixed assets	-	-	174	161	335
Gains on disposal of investments	-	-	-	-	-
Loan interest	6	1	8	-	15
	6	1	182	161	350

37. Prior year comparative Cost of raising funds

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£000	£000	£000	£000	£000
Project Management	12	-	-	-	12
Parish share					
Secretariat	8	-	-	-	8
Archdeacons	-	-	6	-	6
Bishop's Harvest Appeal	-	-	1	-	1
Investment Management Costs	4	-	1	-	5
Rents	11	-	4	28	43
Fundraising Trading Whalley Abbey	70	-	-	-	70
Fundraising Trading other	40	-	-	-	40
	145	-	12	28	185

38. Prior year comparative Expenditure on charitable activities

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£000	£000	£000	£000	£000
Contributions to Archbishops' Council					
Training for ministry	302	-	-	-	302
National Church responsibilities	227	-	-	-	227
Grants and provisions	25	-	-	-	25
Mission Agency pension contributions	11	-	-	-	11
Retired clergy housing costs (CHARM)	109	-	-	-	109
Pooling of ordinand candidates costs	-	-	-	-	-
General Synod expenses	6	-	-	-	6
	680	-	-	-	680
Parish ministry					
Stipends & National Insurance	-	-	4,854	-	4,854
Pension contributions	9	-	1,152	-	1,161
Housing costs	59	3	198	676	936
Removal, resettlement and other grants	-	-	138	-	138
Other expenses	-	-	24	-	24
	68	3	6,366	676	7,113
Support for ministry					
Support for parish ministry	1,519	2	189	-	1,710
Whalley Abbey Conference House	252	-		-	252
Whalley Abbey House Renovation	-	-	35	-	35
Redundant churches	-	-	56	-	56
Strategic Development Fund Projects	-	45	273	-	318
St Philip's Centre Project	-	-	32	-	32
Grants to Parishes, Individuals and other charities	143	15	600	-	758
Sale of Publications	8	-	-	-	8
Miscellaneous Expenses	-	-	6	-	5
	1,922	62	1,190	-	3,174
Expenditure on education					
Grants for the work of the Board	369	-	2	-	371
	369	-	2	-	371
Charitable activities	3,039	65	7,558	676	11,338

39. Prior year comparative Analysis of expenditure including allocation of support costs

	Activities undertaken directly	Grant funding of Activities	Manage-ment Admin Support	Total 2020
	£000	£000	£000	£000
Fundraising Trading Whalley Abbey	70	-	-	70
Cost of raising funds	89	-	26	115
Contributions to Archbishops' Council	-	680	-	680
Resourcing ministry and mission	8,611	757	919	10,287
Education	-	371	-	371
Other	95	-	-	95
	8,865	1,808	945	11,618

40. Prior year comparative Analysis of support costs

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£000	£000	£000	£000	£000
Raising Funds	20	-	6	-	26
Central Administration	490	-	-	198	688
Governance costs					
Secretariat	48	-	-	-	48
Accounting and Finance Office	37	-	-	-	37
Audit & accountancy fees	19	-	-	-	19
Diocesan Synod costs	9	-	-	-	9
DBF Executive and Bishop's Council Meetings	20	-	-	-	20
Chancellor and Registrar Fees	98	-	-	-	98
	741	-	6	198	945

41. Prior year comparative Net assets analysed by fund

	Tangible Fixed Assets	Fixed Asset Investment	Net Current Assets	Long term Creditor	Net assets as at 31 December 2020
	£000	£000	£000	£000	£000
General Fund	2,350	6,365	888	(1,107)	8,496
Designated Funds	-	518	2,108	-	2,626
Total Unrestricted Funds	2,350	6,883	2,996	(1,107)	11,122
Pastoral Account	8,748	-	1,093	(289)	9,552
Other Restricted Funds	-	258	1,259	-	1,517
Total Restricted Funds	8,748	258	2,352	(289)	11,069
Parsonage Houses Fund	26,688	1,037	-	-	27,725
Stipends Capital / Housing Fund	2,621	10,773	1,475	-	14,869
Other Endowment Funds	-	4,470	5	-	4,475
Total Endowment Funds	29,309	16,280	1,480	-	47,069
Total	40,407	23,421	6,828	(1,396)	69,260

42. Prior year comparative Unrestricted funds

	At 1 January 2020 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2020 £000
General Fund	7,209	8,870	(3,184)	271	(4,670)	8,496

	At 1 January 2020 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2020 £000
Designated Funds						
Office Assets Fund	367	12	-	27	5	411
Parsonages Fund	327	-	(3)	-	-	324
Parish Vision 2026 Fund	420	1	-	-	-	421
Diocesan Vision Strategic Development Fund	690	-	-	-	(61)	629
Diocesan Vision 2026 Fund	396	79	(48)	-	(9)	420
Allchurches Trust Grant Fund	241	73	(16)	-	-	298
Other Designated Funds	103	-	-	-	20	123
	2,544	165	(65)	27	(45)	2,626

43. Prior year comparative Restricted funds

	At 1 January 2020 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2020 £000
Diocesan Pastoral Account	9,812	187	(112)	-	(335)	9,552
Diocesan Stipends Fund Income Account	-	989	(6,362)	-	5,373	-
Social Responsibility Projects	146	20	(32)	-	-	134
Parish Vision 2026 Grant Fund	250	26	(128)		-	148
Bishops Clergy Widows Fund	599	73	(45)	(14)	-	613
Bishops Ordination Fund	150	5	(1)	-	-	154
Resourcing Ministerial Education (RME) Fund	41	220	(172)	-	-	89
Bishop's Harvest Appeal	21	23	(24)		-	20
Bishop's Clergy in Need Fund	35	-	-	-	-	35
SDF Funded Projects	(66)	545	(444)	-	(29)	6
Lower Income Communities Funding	-	1,310	(198)	-	(1,112)	-
Parish Pastoral Fund	316	-	-	-	(150)	166
Other Restricted Funds	162	62	(52)	-	(20)	152
	11,466	3,460	(7,570)	(14)	3,727	11,089

44. Prior year comparative Endowment funds

	At 1 January 2020	Income	Expenditure	Gains and losses	Transfers	At 31 December 2020
	£000	£000	£000	£000	£000	£000
Expendable endowment						
Diocesan Stipends Fund Capital Account	14,493	161	(100)	522	(207)	14,869
Parsonage Houses Fund	26,966	196	(699)	67	1,195	27,725
	41,459	357	(799)	589	988	42,594
Permanent endowment						
Bishops Clergy Widows Fund	2,097	-	-	144	-	2,241
Maintenance of the Ministry	291	-	-	20	-	311
General purposes	362	-	-	25	-	387
Whalley Abbey	159	-	-	11	-	170
Other endowments	95	-	-	7	-	102
Stipends	1,204	-	-	60	-	1,264
	4,208	-	-	267	-	4,475
	45,667	357	(799)	856	988	47,069

THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

England & Wales - Charity number 247647

Accounts

The Blackburn Diocesan Board of Finance Limited

Annual report and financial statements

Company limited by guarantee (no 225457)
Registered charity (no 247647)
Date: 31 December 2020

Contents

VISION STATEMENT **2**

LEGAL OBJECTS **3**

STRATEGIC REPORT **3**

Strategic Aims And Objectives For The Year *3*

Activities And Achievements In The Year *4*

Future Plans *6*

Financial Review *7*

Principal Risks And Uncertainties *9*

STRUCTURE, GOVERNANCE AND MANAGEMENT **10**

Summary Information About The Structure Of The Church Of England *10*

Organisational Structure *11*

DIRECTORS' RESPONSIBILITIES **12**

Statement Of Disclosure To The Auditors *13*

Appointment Of Auditor *13*

ADMINISTRATIVE DETAILS **14**

Attendance Of Directors At Meetings In 2020 ..... *15*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED **16**

STATEMENT OF FINANCIAL ACTIVITIES **19**

INCOME AND EXPENDITURE ACCOUNT **20**

BALANCE SHEET **21**

CASH FLOW STATEMENT **22**

NOTES TO THE FINANCIAL STATEMENTS **23**

VISION STATEMENT

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026.
The Vision was launched in 2015 when the Diocese of Blackburn made a bold strategic decision to change and to grow through the priorities of: • Making Disciples for Jesus Christ • Being Witnesses for Jesus Christ • Growing Leaders for Jesus Christ • Prioritising Work Among Children, Young People and Schools.
Over the course of 2020 the Diocese engaged in a 'Vision Update' through which we sought to identify what is going well and where the challenges are as we seek to realise our Vision of seeing:-
'Healthy Churches Transforming Communities'

Our updated Vision 2026 building blocks are:-

Making disciples of Jesus Christ

- Knowing the Scriptures better and equiping confident Christian disciples
- Praying with greater depth and urgency for the Kingdom of God to come
- Offering worship in Spirit and truth through the ministry of word and sacrament
- Giving generously of our time, talents and money to the cause of Christ

Being witnesses to Jesus Christ

- Sharing the Gospel with confidence
- Enabling human flourishing through social action
- Planting or renewing 10 strategic church plants and 200 new congrgations
- Caring for God's creation

Growing leaders for Jesus Christ

- Developing a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Discerning and forming theologically literate lay and ordained leaders, rooted in prayer and with a deep love of the Lord Jesus
- Nurturing healthy partnerships between clergy and laity by fully implementing the Lay Majority Ministry Framework
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

Inspiring children and young people

- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Holding regular worship that is accessible and appealing to children, young people and their families.
- Enabling growth in the numbers of leaders of children and young people
- Pursuing a step change in work with those aged 11-16
- Facilitating effective partnerships between churches and local schools

The Diocesan Vision Prayer

Heavenly Father, we embrace Your call for us to make disciples, to be witnesses, to grow leaders and to inspire children and young people. Give us eyes to see Your vision, ears to hear the prompting of Your Spirit and courage to follow in the footsteps of your Son, our Lord and Saviour Jesus Christ. Amen

The Directors of the Blackburn Diocesan Board of Finance Limited (BDBF), who are the Trustees for the purpose of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2020.

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

This combined report satisfies the legal requirement for:
Directors' Report of a charitable company
Strategic Report under the Companies Act 2006 and
Trustees Annual Report under the Charities Act 2011

LEGAL OBJECTS

The BDBF's principal objective is to promote, assist and advance the work of the of the Church of England, primarily but not exclusively in the Diocese of Blackburn, by acting as the financial executive of the Blackburn Diocesan Synod.

The BDBF has the following statutory functions:

- The BDBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- The BDBF is custodian trustee in relation to PCC property.

STRATEGIC REPORT

STRATEGIC AIMS AND OBJECTIVES FOR THE YEAR

The main role of the BDBF is to identify and manage the financial aspect of the provision of the ministry within the Diocese, so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities in the Diocese.

In March 2015, the Diocesan Synod agreed the vision statement and strategic priorities for the following ten years.

We will continue to have specific focus for the next two years on the following contexts:

- Presence and Engagement parishes (the Church of England's national programme equipping Christians for mission and ministry in a multi-faith society)
- Cathedral (its role within the town and Diocese)
- Outer estates (deprived urban areas with significant social housing)
- Parish support programme (parishes where there has been decline in attendance and finances, but where there is an active willingness to change)
- The Preston Resourcing Church

The Directors are aware of the Charity Commission's published guidance on the public benefit requirement in general and, more particularly, in 'The Advancement of Religion for the Public Benefit' and have had regard to it in their administration of the BDBF.

The Directors believe that, by carrying out these objectives and in promoting the work of the Church of England in the Diocese of Blackburn, the BDBF helps 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 it provides 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, for the benefit of individuals and society as a whole.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

The key activities may be summarised as:

- mission and ministry in parishes (includes clergy training, housing, stipends, pension and all other expenditure required to support parish-based ministry)
- supporting and encouraging the strategic priorities of Vision 2026
- grant funding to Blackburn Diocesan Board of Education Ltd for work with children and young people
- specific diocesan projects
- contributions to the National Church Institutions (mainly by grant support)
- provision of the Diocesan Conference and Retreat House (Whalley Abbey)

In 2020 we planned to support the diocesan commitment to our 4 main areas of focus **Making Disciples, Being Witnesses, Growing Leaders and Inspiring Children and Young people for Jesus Christ;** however, the effect of Covid 19 impacted significantly on both parishes and the BDBF with major national and local restrictions for most of the year. This resulted in churches not operating as normal and for periods being closed and the DBF office and Whalley Abbey also closed with many staff remotely working and some being furloughed.

We established a pro-active Covid Task Group to support parishes with information, advice, encouragement and used the weekly and sometimes twice weekly update to provided resources and be a signpost to ways in which churches can continue to **Make Disciples, Be Witnesses, Grow Leaders and Inspire Children and Young people for Jesus Christ** in a challenging unanticipated context. The Task Group continues, albeit on a reduced basis in 2021.

We also established a Standing Committee of the BDBF which met fortnightly to support the Board of Directors and Trustees with decisions that needed prompt action and planning mainly relating to maintaining financial stability. To further support parishes the Standing Committee established a Resilience Group who contacted over 80 parishes to discuss their own financial stability during the pandemic, work which continues in 2021.

In relation to our main objectives of:

Making Disciples of Jesus Christ we:

- Produced a new advent devotional and distributed 5,000 copies.
- Decided to reopen Whalley Abbey after a time of closure with a new plan to concentrate on it being a focus for Christian Discipleship.
- Promoted contactless giving to parishes (9th highest take up of Church of England Dioceses) and the move away from envelope giving to Standing Order giving.

Being Witnesses to Jesus Christ we:

- Applied for £3.5m Stage 1 SDF funding from the national church for two strategic Church plants in Blackburn and Blackpool which was approved. The project is entitled “Lighting up New Generations: Blackburn, Blackpool and across Lancashire” and the funding secured in May 2021.
- Completed the Christian Enquiry Course audit, and training provided by three church leaders.
- Established an ‘Online resourcing Group’ which encouraged and supported ‘Virtual Church’ activity enabling parishes to provide worship etc online with 72% of churches doing so by November.

Growing Leaders for Jesus Christ we:

- Delivered 4x Clergy study days on inspiring and identifying vocations to which the majority of clergy attended.
- Began the implementation of Lay Majority Ministry strategy by reorganising the growing leaders team appointing a Warden of Lay Ministry and team to launch the Authorised Lay Ministry program alongside re-imagining Reader Ministry as Licensed Lay Ministers.
- Became heavily involved in leading the regional restructuring of theological education for the 6x North West dioceses.

Inspiring Children and Young people for Jesus Christ

In 2020 we decided to establish this objective explicitly rather than being a thread that ran through the Making Disciples, Being Witnesses and Growing Leaders by

- Nurturing Children and young people in their faith via accessible worship
- Enabling growth in numbers of Leaders of Children and Young People
- Facilitating effective partnership between churches and local schools and pursuing a step change in work with those aged 11-16

This is delivered in partnership with the Blackburn Diocesan Board of Education through our parishes, via a grant to the Diocesan Board of Education. Full details of the activities carried out are contained within Blackburn Diocesan Board of Education Trustee Report.

During 2020 the BDBF also

- Monitored and developed several financial planning scenarios.
- Successfully applied for £ 1.3m sustainability support funding from the national church.
- Met existing commitments to support the ministry of the Diocese of Blackburn, within a managed agreed deficit budget, and other restricted funds, and subject to reserve constraints, responded to any new need as they arose. We continued to encourage parishes struggling to meet their Parish Share requests to meet DBF Directors, Archdeacons and DBF Officers to discuss their challenges, constraints on their ability to contribute the Parish Share requested, and initiatives for ministry in a constructive and collaborative atmosphere. Where this group was satisfied that there was a clear commitment by the parishes to strengthen their discipleship, stewardship and vision planning, and to meet an adjusted share contribution request, it was able to reduce Share requests for 43 parishes from the parish support fund, by a total of £401,349 (54.2% of the Fund).
- Supported parishes in their mission aspirations with grant funding from the Parish Vision Grant and Loan Fund.
- Continued the roll out of the extensive safeguarding training programme for clergy and parish officers and undertaken the 2nd Past Case Review as required by the Church of England.
- Engaged in a review and extensive consultation exercise with parish treasurers on the Parish Giving Scheme.
- Undertook major consultation and associated work in relation to producing a Vision 2026 update to be concluded and launched in 2021.

The actions outlined above were enabled through a range of administrative and legal functions ensuring that the priorities identified within Vision 2026 were facilitated whilst maintaining good governance.

Personnel

The Directors are thankful for everyone who contributes to the life of the Diocese and to the parishes for their continuing financial support. Given the extremely challenging circumstances arising from the pandemic, the directors would like to express particular thanks to all the staff serving the BDBF, to our clergy for their leadership during 2020 and to the PCC's for their ongoing commitment this last year. The Directors are thankful to God, for those parishes which continued to support ministry by contributing their parish share, many of whom made it a priority in 2020.

Related parties

- General Synod, Church Commissioners, Archbishops' Council and Church of England Pensions Board

  The BDBF must comply with Measures passed by the General Synod of the Church of England. It pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod. The BDBF receives a grant from funds managed by the Church Commissioners. The BDBF pays for clergy stipends through the Church Commissioners. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners.

  The BDBF pays retirement contributions for stipendiary clergy and some employees to the Church of England Pensions Board.

- Parochial Church Councils (PCCs)

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

  PCCs can influence decision-making within the BDBF and at Diocesan Synod level through representations to those bodies and through the input of Deanery Synods.

- Blackburn Cathedral who lease part of Church House to the BDBF.

- Blackburn Diocesan Board of Education is a registered charity, which has responsibility for 186 Church schools across the Diocese and is responsible for the largest number of voluntary aided schools in the country. It provides pastoral and professional support to all its schools and has particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.

- Cidari Multi-Academy Trust is the Trust that has been established to act as a sponsor for underperforming church schools in the Diocese and to welcome and support converter schools wishing to join the Cidari family of academies.

- All Saints Centre for Mission and Ministry provides training courses for Ordained and accredited Lay Ministry. There are two Directors in common with the BDBF, Rt Revd P J North and Ms J M Stamper. The BDBF is a member of the All Saints Centre. In 2021 this has become the Emmanuel Theological College.

- Together Lancashire is an ecumenical partnership of Anglicans, Methodists and other Christians supported by the Church Urban Fund, its purpose being to help church leaders, congregations and community activists to tackle the effects of poverty. There is one Director in common with the BDBF. This charity is being wound up in 2021.

FUTURE PLANS

We will complete and launch the update of Vision 2026 and seek to apply for further National Church Strategic Development Funding and Strategic Capacity Funding and we will again seek Strategic Ministry Funding to be able to support additional Curate training opportunities. We will apply for Giving Funding in Partnership to seek to appoint an additional person to the work for encouraging Christian Stewardship and Giving in the parishes of the diocese.

We will also complete the process for the 2nd Past Case Review including sending the Independent Report to the National Church and considering all recommendations made.

We will continue to support the Diocesan commitment to **Making Disciples of Jesus Christ** by equipping people for whole life discipleship, by encouraging initiatives in prayer, bible reading and spirituality; resourcing people and churches through the work of Christian stewardship via the 'in house' course entitled Generosity, Gift and Grace. We also engaged with the national initiative to encourage Stewardship and began to join the Parish Giving Scheme for donations and promote 'contactless' giving.

We will continue to support the Diocesan commitment to **Being Witnesses to Jesus Christ** by developing and increasing the range of resources to support outreach and evangelism in the local church, resourcing work on outer estates, working towards our 2026 goal of 10 Strategic church plants and 200 new congregations. We will actively be supporting social responsibility through advice, training, resources and local projects; actively encouraging and resourcing Church Planting and Fresh Expressions of Church. This will be underpinned by the continuing development of effective internal and external communication through a wide variety of media and the provision of communication resources and training.

We intend to support the Diocesan commitment to **Growing Leaders for Jesus Christ** by further developing ministerial training and resources, with emphasis on creating opportunities for ministry and training in challenging contexts; actively promoting vocations to a breadth of ministries and encouraging younger vocations; offering support and resources to those involved in leadership roles and facilitating effective and efficient ministry in local contexts. We will continue to support and develop the MPower scheme for Blackpool.

We intend to support the Diocesan commitment to **Inspiring Children and Young people for Jesus Christ** continuing in partnership with the Blackburn Diocesan Board of Education. Full details of the future activities are contained within this charity's Trustees report.

A funding request will be made to the national church for two more resource churches in Blackburn and Blackpool. The Blackburn church will have an emphasis of supporting young people.

We will continue to support parishes through Treasurer, Church Warden and Clergy training events during the year.

FINANCIAL REVIEW

Financial performance

The financial performance of the Charity in 2020 was considered satisfactory.

Parish share, the money given by Parishes to the BDBF to fund the mission and ministry of the Diocese, was again the principal sources of funding in 2020. This decreased by £0.43m to £7.16m *(2019: £7.59m)*.The Directors thank parishes for their contributions during the year, and especially to those parishes able to pay in full and those that make their parish share payments by monthly instalments.

The provision for outstanding parish share at the year end is £7.56m *(2019: £6.61m)*.

Total income (including parish share) before revaluation adjustments totalled £12.85m *(2019*: *£13.25m)*, a decrease of £0.40m. Included in these figures are gains on the disposal of fixed assets of £0.34m *(2019: £0.80m)*.

Expenditure amounted to £11.62m *(2019: £12.56m)*, a decrease of £0.94m. Included in these figures are losses on disposal of fixed assets of £24,000 *(2019: £70,000)* and loss on sale of investment land of £95,000 *(2019: £8,000).*

The Statement of Financial Activities (SOFA) for the year shows net income of £1.23m *(2019: £0.69m*) before net gains and losses on the revaluation of investments. This is an increase of £0.55m on the previous year.

After revaluation adjustments, the net movement in total funds amounted to a £2.37m increase *(2019: £6.04m)*, which results in a total fund balance of £69.26m *(2019: £66.89m)*. The net movement in unrestricted funds is £1.29m *(2019: £2.84m)*, which results in a general fund balance of £8.50m *(2019: £7.21m)* and designated fund balance of £2.63m *(2019: 2.54m)*

Balance Sheet Position

While the net assets on the balance sheet total £69.26m (*2019: £66.89m*), included in this total are freehold land and buildings which are primarily used for ministry totalling £40.41m (*2019: £39.45m*). Much of the remainder is held in restricted or endowment funds. The defined benefit pension deficit of £0.69m (*2019: £1.17m)* is shown against general funds.

Significant Property Transactions

During the year we purchased three parsonages and four curate and associate vicar houses totalling £1.78m. Sale proceeds were received for five curate houses of £1.03m, no parsonages were sold during the year.

Investment Performance

The Charity does not receive its donations evenly throughout the year. Some donations or funding grants received are held for a period prior to them being required for expenditure. The charity utilises NatWest reserve accounts and CCLA for cash investments.

The Board requests a member of CCLA to annually attend a meeting of the Investment Committee to update them on the Board's investment position. The Investment Committee meets at least four times a year to review policy and performance. The Board invests in the CCLA Deposit, Investment and Property Funds which again performed satisfactorily over the year.

The total value of investments and deposits (excluding cash and investment property) at 31 December 2020 was £25.20m (*2019: £23.51m)* and the return on investment was 2.8% *(2019: 3.1%).* (Income divided by average capital value).

The total value of investment property at 31 December 2020 was £1.83m (*2019: £2.80m)* and the return on investment was 1.5% *(2019: 1.2%).* (Net rental income divided by average capital value).

Sales proceeds received from the sale of glebe land amounted to £1.02m *(2019: £0.41m)* which will be used to purchase curate houses in 2021.

Investment Policies

The BDBF's investment policies are based on two key policies:

Ethical investment – the BDBF seeks to pursue an investment policy consistent with the values of the Christian faith. This is achieved by investing in CCLA who follow the policies of the Church of England's ethical investment advisory group which are kept under review by the Investment Committee.

Long-term responsibilities – the Directors are aware of their long-term responsibilities in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Investment policy for long-term funds is aimed primarily at generating a sustainable income with due regard to the need for preservation of capital value and the possible need to realise investments to meet operational needs. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible towards clergy stipends on an ongoing basis. Unrestricted and restricted funds are invested to balance income, liquidity and the reimbursement of capital.

Reserves Policy

The Directors have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. The BDBF has considerable responsibilities, including the remuneration and housing of on average 176 parochial stipendiary clergy and is reliant on the contributions from the parishes of the Diocese. The BDBF aims to maintain a level of free reserves for income risk of 4% of three years forecast budgeted parish share, DBF fees and rental income and at least three months' Parish Share budgeted expenditure as working capital. This will be held within the unrestricted funds (excluding fixed assets and clergy pension deficit). This is considered sufficient to cover short-term cash outflows, cushion non-receipt of Parish Share and any reduction of income from DBF Fees and rental income. The level of free reserves required for this policy is £4.70m.

This policy has proved advantageous in helping the BDBF manage the current Covid-19 pandemic. This policy is reviewed annually considering the future plans of the BDBF in its setting.

The level of free reserves at 31 December 2020 was £6.83m; this is in excess of the policy by £2.13m. This excess will to be used to fund the budgeted deficits for 2021 and 2022. These deficits consider the financial impact of the Covid-19 pandemic on the charity. The Directors are confident in the steps taken to ensure the future going concern of the organisation.

There are a number of designated funds totalling £2.63m and the material ones are listed in note 24 on pages 41 and 42. These funds are, in the main, held to fund future opportunities for the BDBF. They are reviewed regularly for the appropriateness and levels.

The BDBF also administers a number of restricted and endowment funds that are held in specific trusts under charity law and are not available for general purposes. As at 31 December 2020 restricted funds totalled £11.07m and endowment funds totalled £47.07m. A description of each reserve, together with the intended use of the fund is set out in notes 25 and 26 of the financial statements on pages 42 to 44.

Grant making policy

Grants are made to the National Church to cover a proportion of its central costs and the cost of training for ministry (see note 10 to the financial statements). Grants are paid to other connected charities and to other charitable projects which appear to the Board to support the furtherance of the BDBF's objectives (see note 17 to the financial statements).

Fundraising

Most of the funds raised by the BDBF are from other charities. We provide support and advice to parishes with their fundraising and raise some funds for other charities as part of the Bishop's Harvest appeal or from the congregation at Visitations. At Ordination services funds raised for the BDBF are restricted to support those undergoing ordination training. We encourage on line giving by the use of give.net. There is minimal fundraising from the public by the BDBF and this is normally at church services, not by direct marketing or using external fundraisers. We have not received any complaints from the public in relation to our fundraising activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors of the charitable company have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the directors
- regular consideration of financial results and cash flows
- regular review of internal controls
- delegation of authority and segregation of duties
- regular review and update of risk assessments

The Directors will continue to develop the risk management process to assess and document business risks and implement risk management strategies. This involves assessing the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process draws on ongoing consideration of business risk, which already forms a significant aspect of the Directors' duties, scrutiny by the Audit, Risk and Governance Committee (ARG) and of the annual management review by the Auditors, to discuss financial and internal control issues. There is no internal audit function as it is not considered an efficient use of the resources of the charity. The risk register is reviewed on a six-monthly basis by the ARG and material changes are notified to the directors.

Key Risks

The key risks, which may impact on the charitable company, include:

1. A decline in the payment of Parish Share – the risk is that the BDBF is unable to meet its objectives due to financial constraints.
   Existing Controls
   - regular monitoring and meetings with those parishes who need help to meeting their assessment
   - provision for the shortfall built into the budget
   - pastoral reorganisation to ensure affordability
   - focus on stewardship
   - free reserves policy
2. A continuing reduction in regular weekly attendance – the risk is that parishes will become increasingly unable to pay parish share due to a reduced number of parishoners contributing to their finances; the BDBF is therefore unable to meet its objectives due to financial constraints. A key aim of Vision 2026 is to to grow the number of people regularly attending their parish church. Teaching with an emphasis on Christian Discipleship was given in 2019. The new Vision Co-ordinator has assessed the impact of the Vision during 2020 and has developed further strategic initiatives for growth to occur.

3. Safeguarding, impact of historic cases – the BDBF follows National Guidelines and during 2020 has undertaken a further past case review.
4. Declining stipendiary clergy numbers nationally means that the BDBF may be unable to resource the local parish - with the Director of Vocations in post the numbers exploring vocations has increased significantly. Curate numbers are being increased with National Church providing some support funding for those above the normal numbers for the BDBF. The Diocese has been attractive for recruitment of clergy from outside the area for the past few years, which further mitigates the situation.

Covid 19 Impact on risk and risk management

The key risks above are the possibility of a reduction in parish share income and reduction in regular weekly attenders in parishes. The effect of Covid 19 has caused both the reduction in parish share contributions and people attending church with the closure of churches for a period and restricted numbers when open. These effects were mitigated in 2020 with the receipt of a sustainability grant of £1.1m from national church. The Board have sufficient funds within free reserves and the sale of housing stock no longer required to mitigate these risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT

SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND

The Church of England is the established church with HM The Queen as the Supreme Governor.

It is organised into two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern) and 42 dioceses. Each diocese is a See under the care of a Bishop who is charged with the cure of souls of all the people within that geographical area.

A diocese is divided into archdeaconries, deaneries, benefices and parishes. Benefices may comprise single or multiple parishes and are overseen by a parish priest (usually called a vicar, rector or priest-in-charge). The parish priests are responsible for the 'cure of souls' in their parish.

The Church of England is governed nationally by General Synod as its legislative and deliberative body. It comprises ex-officio and elected representatives from each diocese and it agrees and lays before Parliament measures for the governance of the church's affairs, which, if enacted by Parliament, have the force of statute law. Blackburn Diocese currently has 5 elected clergy members and 6 elected lay members of General Synod. They were elected in 2015 for a period of five years.

In addition to the General Synod, the Archbishops' Council has a coordinating role for the work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and some lay workers.

Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that leadership as Bishop in the Diocesan Synod which is the statutory governing body of the Diocese.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

The Diocese of Blackburn was created in 1926. It has an area of 988 square miles and encompasses Lancashire with a few parishes in Wigan Metropolitan Borough. The overall population is approximately 1.3 million within urban and rural areas.

The Diocese of Blackburn has two archdeaconries (Blackburn and Lancaster), each the responsibility of an archdeacon. Each archdeaconry has seven deaneries with a number of benefices/parishes grouped geographically. An area dean has oversight of the deanery and each deanery has its own synod. Within each parish there is a body called the parochial church council which is made up of parish priest as chair, the churchwardens, curate and Readers if applicable, and a number of elected members. Each parochial church council is a separate charity.

The Cathedral is the mother church of the Diocese, an ecclesiastical corporation until it is certified by the Church Commissioners under the Cathedrals Measure 2021 as a charity. The Cathedral is separate from the BDBF. Copies of its trustees' report and financial statements may be obtained from the Cathedral Offices, Cathedral Close, Blackburn BB1 5AA.

ORGANISATIONAL STRUCTURE

The BDBF, was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 29 October 1927 as a charitable company limited by membership guarantees (No 225457) and its governing documents are the Memorandum and Articles of Association. The BDBF is registered with the Charity Commission (No 247647). The Charity is a limited company and statutory accounts are filed annually with Companies House.

The members of the company comprise the Diocesan Bishop, each member for the time being of the Blackburn Diocesan Synod, including sufficient co-opted lay members in order to ensure that there is a majority by one of lay membership. Many of Diocesan Synod's responsibilities have been delegated to the Bishop's Council and standing committee.

The members of Bishop's Council are the Board of Trustees for the charity and in company law the Directors.

The Directors comprise six ex-officio members; the Diocesan Bishop, the Suffragan Bishops, the two Archdeacons, the Dean of Blackburn Cathedral. Four ex-officio elected positions; the Chairs and Vice Chairs of the Houses of Clergy and Laity of Diocesan Synod. Three ex-officio appointed positions; the Chair and Vice Chair of the Board of Finance and the Chair of the Property Committee. The elected members are 4 clergy, 2 from each archdeaconry, elected by the House of Clergy and 8 lay members, 4 from each archdeaconry, elected by the House of Laity. Two members may be co-opted with the approval of the directors. Elections took place in 2018 with directors, both elected and co-opted, taking up post on 1 January 2019 for a term of three years.

Governance and policy of the BDBF is the responsibility of the directors.

Corporate priorities and the overall financial strategy for the BDBF, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Blackburn, are agreed by the Directors and confirmed by Diocesan Synod.

The responsibility for ensuring that these priorities and strategies are delivered were delegated to the Vision Area Leaders.

The members of the company meet once a year in the general meeting to receive the annual report and financial statements. The Diocesan Synod each year receives and agrees the parish share budget, prepared and approved by the Directors. The Directors meet during the year to formulate and coordinate policies on mission, ministry and finance.

Some role names in the company incorporate the title 'Director' but, for the purposes of company law, are not directors of the company.

Diocesan Synod has delegated the following functions to the Directors of the BDBF:

- transacting the business of the Diocesan Synod when not in session
- management of the funds and property of the Diocese
- preparation of the annual Parish Share Budget
- 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; and
- carrying out any other functions delegated by Diocesan Synod.

Statutory ecclesiastical boards and committees:

The Diocesan Mission and Pastoral Committee is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It is also responsible for finding appropriate alternative uses for churches which are closed for public worship.

The Diocesan Advisory Committee advises on matters affecting churches and places of worship such as 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.

The Parsonages Board: the BDBF is designated as the Parsonages Board for the Diocese for the purpose of exercising the Parsonages Board's functions under the Repair of Benefice Buildings Measure 1972.

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

Non-statutory committees:

The Finance Committee is responsible for the transaction of some of the business of the BDBF. Within delegated limits it can approve grants and other support and makes recommendations to the Directors in other cases. The membership of the Committee consists of the Chair and Vice Chair of the Board of Finance, the Diocesan Bishop and the two Archdeacons. Bishop's Council can co-opt up to six members on the basis of their expertise, of whom a minimum of 3 must be members of Bishop's Council and Directors of the BDBF.

The Property Committee is responsible for making major decisions concerning the management of parsonage and other houses owned by the BDBF, including setting the policy for their purchase, sale, repair and maintenance. The committee has delegated authority to authorise repairs within an agreed budget and to buy and sell property and land vested in the Board of Finance for diocesan purposes. It is also responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Blackburn Diocesan Stipends Fund.

The Investment Committee meets on a regular basis to consider diocesan investments, to adjust the portfolio within parameters agreed by the Directors and to make recommendations to the Directors.

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

The HR Committee deals with sensitive and other matters in relation to employed staff which cannot be considered by the full Board, partly because of their confidential nature and partly because of time pressures and includes two members co-opted for their HR expertise.

The Budget Scrutiny Committee was established in 2019 to assist the Bishop's Budget team in drawing up the annual draft budgets for approval by the Directors prior to submission to Diocesan Synod.

The Financial Assistance Group considers all applications for financial assistance from the Diocesan Vision Grant and Loan Funds. It makes recommendations for support to the Finance Committee for applications in excess of this amount.

Directors' induction

Directors are given an induction file when first appointed. Explanations are given in Directors' meetings to provide continuing training and Directors are encouraged to ask questions in order to develop their understanding of the charity. If additional information is required, it is brought to the attention of directors and the directors' induction file updated accordingly. In 2019 a training session was arranged to inform the Directors of their governance responsibilities.

Remuneration of key management personnel

The salary scale of the Diocesan Secretary is determined by the Chair of the BDBF, but any annual award is in line with the other employed staff salary increase.

The salary levels of other key management personnel and all further posts are set by a job evaluation system. Annual pay increases are determined by the HR Committee within a maximum set by the budgeting process. The members of the HR Committee are the Archdeacon of Lancaster, a clergy director, a lay director and two members co-opted for their HR expertise.

Funds held as custodian trustee

The BDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the BDBF does not control them and these assets are held separately to those of the BDBF.

PCC trust investment assets held by the BDBF had a market value of £16.35m at 31 December 2020 (*2019: £15.61m*). Detailed certificates of holdings were sent to parishes (c. 1,500 accounts) and other

managing trustees of the respective charities as requested at that date. Details of these investments are summarised in note 29.

DIRECTORS' RESPONSIBILITIES

The Directors, who are also the Trustees, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations**.**

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the BDBF and of the surplus or deficit of the BDBF for that period. In preparing these financial statements the Directors 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 Directors are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the BDBF and enable them to ensure that the financial statements comply with the Companies Act 2011. They are also responsible for safeguarding the assets of the BDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the BDBF's website. Legislation in England/Wales governing the preparation and dissemination of 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 Directors are aware:

a. there is no relevant audit information of which the charitable company's auditors are unaware, and

b. we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of than information.

APPOINTMENT OF AUDITOR

The re-appointment of Haysmacintyre LLP as auditors to the BDBF will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

Registered Address	Diocesan Offices, Clayton House, Walker Office Park, Blackburn BB1 2QE	
Trustees/Directors		
Ex-Officio	Rt Revd J T Henderson	
	Rt Revd P J North	
	Rt Revd J L C Duff	
	Very Revd P Howell-Jones	
	Ven M C Ireland	
	Ven D Picken	(appointed 2 February 2020)
Ex-Officio elected position	Mr R J Collins	
	Mr T D Cox	
	Revd Canon Dr S J Cox	(resigned 31 August 2020)
	Revd I Enticott	(resigned 21 July 2020)
	Revd Canon A McHaffie	(appointed 7 October 2020)
	Revd M Wolverson	(appointed 7 October 2020)
Ex-Officio appointed	Mr D Barlow	
	Mr N P Aves	
	Revd Canon A G Sage	
Co-opted	Mr D J Wilkinson	
Elected Clergy	Revd Canon A Holliday	
	Revd P A Lillicrap	
	Revd J Nash	
	Revd L Senior	(resigned 6 December 2020)
Elected Lay Persons	Mr G D Burrows	
	Dr A Carter	
	Professor R Carter	
	Canon M L Chew	
	Mrs P Chadwick	(resigned 13 May 2020)
	Mr M Gardner	
	Ms J M Stamper	

Key management personnel and advisers

Diocesan Secretary, Company Secretary	Canon G Pollard
Head of Finance, Deputy Diocesan Secretary	Mrs R McGaughey
Solicitors	Napthens LLP, Darwen House, Walker Office Park, Blackburn BB1 2QE
Insurers	Ecclesiastical Insurance Office, Beaufort House, Brunswick Road, Gloucester GL1 1JZ
Bankers	National Westminster Bank, 35 King William St, Blackburn BB1 7DJ
Investment Managers	CCLA Investment Management Ltd, Senator House, 85 Queen Victoria St, London EC4V 4ET
Registered Auditor	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Glebe and Land Agent	Lea Hough & Co LLP, Phoenix Park, Blackburn BB1 5RW

Whalley Abbey Architect	Mr I Wilson, Ivan Wilson Architects Ltd, Waterloo Mill, Waterloo Rd, Clitheroe, Lancashire BB7 1LR

ATTENDANCE OF DIRECTORS AT MEETINGS IN 2020

		Total
Ex officio	Mr N P Aves	6/6
	Mr D Barlow	5/6
	Mr R J Collins	5/6
	Revd Canon Dr S J Cox	3/3
	Mr T D Cox	6/6
	Rt Revd J L C Duff	6/6
	Revd Ian Enticott	2/3
	Rt Revd J T Henderson	6/6
	Very Revd P Howell-Jones	5/6
	Ven M C Ireland	5/6
	Rt Revd P J North	6/6
	Ven D Picken	6/6
	Revd Canon A G Sage	6/6
Co-opted	Mr D J Wilkinson	5/6
Elected Clergy	Revd Canon A Holliday	6/6
	Revd P A Lillicrap	5/6
	Revd James Nash	6/6
	Revd Lisa Senior	4/6
	Revd Canon A McHaffie	2/2
	Revd M Wolverson	2/2
Elected Lay Persons	Mr G D Burrows	6/6
	Dr A Carter	6/6
	Professor R Carter	6/6
	Mrs Patricia Chadwick	1/2
	Canon M L Chew	4/6
	Mr Melvyn Gardner	6/6
	Ms J M Stamper	6/6

By order of the Board approving both the Directors' Report and Strategic Report

Mr D Barlow
Chair of the Board of Finance

Mr N P Aves
Vice-chair of the Board of Finance

12 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and concluded that the risk was low. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of our report

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



Adam Halsey
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 24 June 2021

10 Queen Street Place
London EC4R 1AG

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

	Note	Unrestricted funds: General £000	Unrestricted funds: Desig-nated £000	Restricted funds £000	Endowment funds £000	Total funds 2020 £000	Total funds 2019 £000
Income and endowments from:							
Donations and legacies							
Parish contributions		**7,160**	**-**	**-**	**-**	**7,160**	7,585
Archbishops' Council and Church commissioners	*2*	**1,155**	**-**	**2,080**	**-**	**3,235**	2,466
Other	*3*	**105**	**152**	**169**	**27**	**453**	378
Charitable activities: statutory fees, chaplaincy and other income	*4*	**75**	**-**	**433**	**-**	**508**	730
Other trading activities	*5*	**143**	**-**	**141**	**140**	**424**	506
Investments	*6*	**226**	**12**	**455**	**29**	**722**	733
Other	*7*	**6**	**1**	**182**	**161**	**350**	849
Total Income and endowments		**8,870**	**165**	**3,460**	**357**	**12,852**	13,247
Expenditure on:							
Raising funds	*8*	**145**	**-**	**12**	**28**	**185**	291
Charitable activities	*9*	**3,039**	**65**	**7,558**	**676**	**11,338**	12,246
Other		**-**	**-**	**-**	**95**	**95**	24
Total Expenditure	*11*	**3,184**	**65**	**7,570**	**799**	**11,618**	12,561
Net income/(expenditure) before investments		**5,686**	**100**	**(4,110)**	**(442)**	**1,234**	686
Net (loss)/gains on investments	*18*	**309**	**27**	**(14)**	**722**	**1,044**	2,649
Net income/(expenditure) before transfers		**5,995**	**127**	**(4,124)**	**280**	**2,278**	3,335
Transfers between funds	*12*	**(4,670)**	**(45)**	**3,727**	**988**	**-**	-
Net income/(expenditure) before other recognised gains and losses		**1,325**	**82**	**(397)**	**1,268**	**2,278**	3,335
Other recognised gains/(losses)							
Gain/(loss) on revaluation of fixed assets	*18*		**-**	**-**	**134**	**134**	988
Gain/(loss) on defined benefit pension schemes		**(38)**	**-**	**-**	**-**	**(38)**	1,719
Net movement in funds		**1,287**	**82**	**(397)**	**1,402**	**2,374**	6,042
Reconciliation of funds							
Total funds at 1 January 2019		**7,209**	**2,544**	**11,466**	**45,667**	**66,886**	60,844
Total funds at 31 December 2020	*24*	**8,496**	**2,626**	**11,069**	**47,069**	**69,260**	66,886

All activities derive from continuing activities. The notes on pages 23 to 52 form part of the financial statements.

Details of comparative figures (2019) for the Statement of Financial Activities by fund are disclosed in note 30.

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2020

	2020	2019
	£000	£000
Total income	**12,495**	13,006
Total expenditure	**(10,819)**	(11,415)
Operating surplus/(deficit) for the year	**1,676**	1,591
Net gains on investments	**322**	841
Net income for the year	**1,998**	2,432
Other comprehensive income:		
Net assets transferred to endowments	**(987)**	2,196
Actuarial (losses)/gains on defined benefit pension schemes	**(38)**	1,719
Total comprehensive (expenditure)/income	**973**	6,347

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

BALANCE SHEET

at 31 December 2020

	Note	2020		2019	
		£000	**£000**	£000	£000
Fixed Assets					
Tangible Assets	*17*	**40,407**		39,454	
Investments	*18*	**21,584**		20,528	
Investment Property	*18*	**1,837**		2,798	
			63,828		62,780
Current assets					
Stocks		**5**		4	
Debtors (amounts receivable after more than one year: £840,000 (2019:£569,000))	*19*	**1,247**		901	
Deposits and Cash at bank and in hand		**6,277**		5,525	
		7,529		6,430	
Creditors: amounts falling due within one year	*20*	**(701)**		(569)	
Net current assets			**6,828**		5,861
Creditors: amounts falling due after more than one year	*20*	**(707)**		(707)	
Provisions for liabilities: Pensions and similar obligations	*20*	**(689)**		(1,048)	
			(1,396)		(1,755)
Net Assets	*23*		**69,260**		66,886
Capital and Reserves					
Endowment funds (Including investment revaluation reserve of £8,694,000 (2018: £6,299,000))	*26*		**47,069**		45,667
Restricted funds (Including investment revaluation reserve of £22,000 (2018: £29,000))	*25*		**11,069**		11,466
Unrestricted funds (Including investment revaluation reserve of £3,123,000 (2018: £2,334,000))	*24*		**8,496**		7,209
Designated funds (Including investment revaluation reserve of £187,000 (2018: £128,000))	*24*		**2,626**		2,544
			69,260		66,886

The notes on pages 23 to 52 form part of the financial statements.

These financial statements were approved by the Directors and were signed on their behalf on 12 June 2021 by:

Mr D Barlow
Chair of the Board of Finance

Mr N P Aves
Vice-chair of the Board of Finance

The Blackburn Diocesan Board of Finance Ltd is a company limited by guarantee registered in England and Wales (no. 225457)

CASH FLOW STATEMENT

for the year ended 31 December 2020

	2020	**2020**	2019	2019
	£000	**£000**	£000	£000
Net income before other recognised gains and losses	**1,234**		686	
(Gains)/Losses on disposal of fixed assets	**(309)**		(733)	
(Gains)/Losses on disposal of investments	**95**		(35)	
Depreciation	**89**		100	
Decrease/(increase) in stock	**(1)**		2	
(Increase)/decrease in debtors	**(79)**		(75)	
(Decrease)/increase in creditors current liabilities	**132**		(730)	
Movement in pension commitment	**(397)**		(427)	
Cash (outflow)/ inflow from operating activities		**764**		(1,212)
Net income from investing activities				
Purchase of tangible fixed assets	**(1,792)**		(1,131)	
Proceeds of sale of fixed assets	**1,059**		1,969	
Purchase of investments	**(12)**		(314)	
Proceeds of sale of investments	**1,000**		416	
Net cash infow/(outflow) from investing activities		**255**		940
Net cash inflow/(outflow) from financing activities				
Loan repayments received	**56**		21	
New loans made	**(323)**		-	
Net cash inflow/(outflow) from financing activities		**(267)**		21
(Decrease)/increase in cash in the year		**752**		(251)
Cash and cash equivalents at the beginning of the year		**5,525**		5,776
Cash and cash equivalents at the end of the year		**6,277**		5,525

Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand and at bank	**2,666**	2,550
Short term deposits	**3,611**	2,975
	6,277	5,525

The notes on pages 23 to 52 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities SORP (2015) and applicable accounting standards FRS102, and under the historical cost convention adjusted for the revaluation of certain fixed assets.

The Directors are satisfied that there are no material uncertainties about the charitable company's ability to continue in operational existence for the foreseeable future . The Trustees have taken into account the effect of the Covid 19 pandemic on its operations. The Trustees believe they have sufficient reserves to allow time to adjust the operations of the charitable company to meet the changed circumstances. Accordingly, they continue to adopt the going concern basis in preparing the Trustees' annual report and financial statements.

The Directors believe that the charitable company is a public benefit entity.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, 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 reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and the assumptions used in determining the value of the pension scheme deficit.

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

Fixed assets and depreciation

Assets with a value in excess of £500 are capitalised. Depreciation is provided for on the jointly owned Diocesan Offices and Whalley Abbey Retreat and Conference House. No other depreciation is provided on the charitable company's freehold buildings including parsonage houses (explanation regarding parsonage houses is included in note 18) as the depreciation charge is immaterial. Freehold land is not depreciated.

As it is the charitable company's policy to maintain houses to a high standard, in accordance with a planned approach to repair and maintenance, such properties maintain residual disposal values in aggregate at least equal to their book values.

The charitable company will perform annual impairment testing of assets on which depreciation is not provided to determine whether residual values of housing properties in aggregate continue to exceed carrying value.

The Company holds all Heritage assets at an accurate valuation wherever possible. Where not possible they are held at depreciated value.

Depreciation is provided to write off the cost less the estimated residual value of other tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold property	30 years or, if shorter, the remainder of the lease term
Diocesan Offices	50 years on property
	20 years on remodelling
Whalley Abbey Retreat and Conference House	15 years to a residual value of £500,000
Fixtures, fittings and office equipment	4-10 years
Heritage asset	15 years

Fixed asset investments

Fixed asset investments are stated at market value at the balance sheet date. Movements in market value arising during the year are shown as unrealised gains or losses on fixed asset investments in the Statement of Financial Activities.

Investment properties

Investment properties are included at their fair value.

Glebe land is recognised as held for investment purposes when it is held to rent out or there is a signed developers agreement.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Income

Parish contributions

Income includes amounts received from Parochial Church Councils in respect of parish share for general, stipends fund and parsonage house fund assessments. Parish share is recognised in the accounts when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

Income from Archbishops' Council and Church Commissioners

Money from National Church Institutions is recognised when entitlement is probable.

Other donations, grants, legacies and similar income

Grants and donations receivable towards the cost of additions or improvements to freehold buildings are credited to income in the period to which they relate. Other grants are recorded as income when entitlement is probable. Other donations are recorded as income when received.

Other trading activities

The income from these sources is recognised on an accruals basis

Investment income

Investment income is recognised on an accruals basis.

Expenditure

Expenditure has been charged to the Statement of Financial Activities on an accruals basis. Expenditure relating directly to the objectives of the charity is shown as direct charitable expenditure.

Grants payable

Grants payable are debited to expenditure when the charitable company has a constructive obligation to pay.

Ministry in Parishes

Ministry in Parishes includes the stipends, NI, pensions, housing costs and any direct expenses paid by the charitable company for ministers located in parishes.

Ministry Support

Ministry Support includes the costs of the charitable company that provide either a direct service to the parishes or to the community of the parish. It also includes the National Training costs paid to National Church for the training of Ordinands and the costs of Whalley Abbey the retreat house of the Diocese.

Support and Governance Costs

Governance costs includes audit fee, trustee meeting expenses, Diocesan Synod expenses, Bishop's Council expenses and an allocation of costs based on estimated time spent preparing statutory information and for governance/ strategic issues, by the Finance Team, Diocesan Secretary and Support Services Team.

Support includes the costs of the finance team and general management not included under Governance costs. Support costs have been allocated based on an estimate of time spent in each area.

Taxation

The Blackburn Diocesan Board of Finance Limited (by guarantee) is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in independently administered funds. The amount charged in the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

The charitable company also participates in the Church Workers Pension Fund and the Church of England Funded Pension Scheme (see note 16). The assets of the defined benefit pension schemes are held separately from the charitable company in independently administered funds. The pension costs charged as expenditure represent the BDBF's contributions paid in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which the BDBF participates is accrued at current value.

Fund accounting

Funds held by the charitable company are either:

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds - this is capital, held in perpetuity to create income for specified purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

2. Archbishops' Council and Church Commissioners

	Unrestricted fund		Restricted	Endowment	Total funds	Total funds
	General	Designated	funds	Funds	2020	2019
	£000	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,310	-	1,310	1,284
Sustainability Funding	1,100	-	-	-	1,100	-
Resourcing Ministerial Education Block Grant	-	-	220	-	220	217
Pooling of Ordinands costs	25	-	-	-	25	-
Strategic Ministry Fund	-	-	48	-	48	-
Strategic Capacity Funding	30	-	57	-	87	42
Strategic Development Funding	-	-	445	-	445	923
	1,155	-	2,080	-	3,235	2,466

3. Other donations

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£000	£000	£000	£000	£000	£000
Allchurches Trust	-	147	-	-	147	174
Donations	5	5	56	-	66	95
Other Grants	100	-	113	27	240	109
	105	152	169	27	453	378

4. Charitable activities

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£000	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	-	-	357	-	357	523
Church Commissioners - Guaranteed annuities	-	-	2	-	2	2
Recharge of staff costs	-	-	53	-	53	18
Whalley Abbey Conference House	21	-	-	-	21	92
Sale of publications	5	-	-	-	5	20
Income for training courses	21	-	3	-	24	26
Other fees/sales	28	-	18	-	46	49
	75	-	433	-	508	730

5. Other trading activities

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£000	£000	£000	£000	£000	£000
Rental Income	96	-	141	140	377	363
Whalley Abbey Conference House	7	-	-	-	7	94
Accounting and Legal services	18	-	-	-	18	45
Consultancy services	22	-	-	-	22	-
Other fees/sales	-	-	-	-	-	4
	143	-	141	140	424	506

6. Investment income

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£000	£000	£000	£000	£000	£000
Dividends receivable	217	12	414	29	672	677
Interest receivable	9	-	7	-	16	26
Rents receivable	-	-	34	-	34	30
	226	12	455	29	722	733

7. Other income

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£000	£000	£000	£000	£000	£000
Gains on disposal of fixed assets	-	-	174	161	335	798
Gains on disposal of investments	-	-	-	-	-	43
Loan interest	6	1	8	-	15	8
	6	1	182	161	350	849

8. Cost of raising funds

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£000	£000	£000	£000	£000	£000
Project Management	**12**	**-**	**-**	**-**	**12**	14
Parish share						
Secretariat	**8**	**-**	**-**	**-**	**8**	8
Archdeacons	**-**	**-**	**6**	**-**	**6**	5
Bishop's Harvest Appeal	**-**	**-**	**1**	**-**	**1**	1
Investment Management Costs	**4**	**-**	**1**	**-**	**5**	7
Rents	**11**	**-**	**4**	**28**	**43**	37
Fundraising Trading Whalley Abbey	**70**	**-**	**-**	**-**	**70**	185
Fundraising Trading other	**40**	**-**	**-**	**-**	**40**	34
	145	**-**	**12**	**28**	**185**	291

9. Expenditure on charitable activities

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£000	£000	£000	£000	£000	£000
Contributions to Archbishops' Council						
Training for ministry	**302**	**-**	**-**	**-**	**302**	302
National Church responsibilities	**227**	**-**	**-**	**-**	**227**	240
Grants and provisions	**25**	**-**	**-**	**-**	**25**	26
Mission Agency pension contributions	**11**	**-**	**-**	**-**	**11**	3
Retired clergy housing costs (CHARM)	**109**	**-**	**-**	**-**	**109**	103
Pooling of ordinand candidates costs	**-**	**-**	**-**	**-**	**-**	29
General Synod expenses	**6**	**-**	**-**	**-**	**6**	14
	680	**-**	**-**	**-**	**680**	717
Parish ministry						
Stipends & National Insurance	**-**	**-**	**4,854**	**-**	**4,854**	4,468
Pension contributions	**9**	**-**	**1,152**	**-**	**1,161**	1,165
Housing costs	**59**	**3**	**198**	**676**	**936**	1,485
Removal, resettlement and other grants	**-**	**-**	**138**	**-**	**138**	273
Other expenses	**-**	**-**	**24**	**-**	**24**	43
	68	**3**	**6,366**	**676**	**7,113**	7,434
Support for ministry	**1,519**	**2**	**189**	**-**	**1,710**	1,661
Whalley Abbey Conference House	**252**	**-**		**-**	**252**	239
Whalley Abbey House Renovation	**-**	**-**	**35**	**-**	**35**	54
Redundant churches	**-**	**-**	**56**	**-**	**56**	67
Strategic Development Fund Projects	**-**	**45**	**273**	**-**	**318**	1,057
St Philip's Centre Project	**-**	**-**	**32**	**-**	**32**	28
Grants to Parishes, individuals and other charities	**143**	**15**	**600**	**-**	**758**	601
Sale of Publications	**8**	**-**	**-**	**-**	**8**	25
Miscellaneous Expenses	**-**	**-**	**5**	**-**	**5**	-
	1,922	**62**	**1,190**	**-**	**3,174**	3,732
Expenditure on education						
Grants for the work of the Board	**369**	**-**	**2**	**-**	**371**	363
	369	**-**	**2**	**-**	**371**	363
Charitable activities	**3,039**	**65**	**7,558**	**676**	**11,338**	12,246

10. Analysis of expenditure including allocation of support costs

	Activities undertaken directly £000	Grant funding of Activities £000	Manage-ment Admin Support £000	Total 2020 £000	Total 2019 £000
Fundraising Trading Whalley Abbey	**70**	**-**	**-**	**70**	185
Cost of raising funds	**89**	**-**	**26**	**115**	106
Contributions to Archbishops' Council	**-**	**680**	**-**	**680**	717
Resourcing ministry and mission	**8,611**	**757**	**919**	**10,287**	11,166
Education	**-**	**371**	**-**	**371**	363
Other	**95**	**-**	**-**	**95**	24
	8,865	**1,808**	**945**	**11,618**	12,561

11. Analysis of support costs

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£000	£000	£000	£000	£000	£000
Raising Funds	**20**	**-**	**6**	**-**	**26**	27
Central Administration	**490**	-	**-**	**198**	**688**	576
Governance costs						
Secretariat	**48**	**-**	**-**	**-**	**48**	51
Accounting and Finance Office	**37**	**-**	**-**	**-**	**37**	37
Audit & accountancy fees	**19**	**-**	**-**	**-**	**19**	21
Diocesan Synod costs	**9**	**-**	**-**	**-**	**9**	12
DBF Executive and Bishop's Council Meetings	**20**	**-**	**-**	**-**	**20**	10
Chancellor and Registrar Fees	**98**	**-**	**-**	**-**	**98**	73
	741	-	**6**	**198**	**945**	807

12. Analysis of transfers between funds

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2020
	£000	£000	£000	£000	£000
From general fund to stipends income fund (restricted) and parsonages fund (expendable endowment), to cover the deficits on net expenditure of those funds	**(4,765)**		**4,279**	**486**	-
From Pastoral Fund to Parsonages Fund – transfer costs of parsonages bought			**(589)**	**589**	-
From Parsonages Fund to Pastoral Fund – book value of parsonages transfered to the BDBF for disposal by pastoral schemes			**104**	**(104)**	-
From Stipends Income Fund to general fund for HR support cost relating to time spent on clergy HR matters	**51**		**(51)**		-
From Church Commissioners Grant (restricted) and Vision 2026 fund (designated) to general fund for the Vision Coordinator post	**30**	**(10)**	**(20)**		-
From general fund to designated pension fund for budgeted allocation towards pension deficits	**(20)**	**20**			-
From Diocesan Vision 2026 Strategic Development fund to general fund and Parsonages fund to cover loss of income from houses used for projects	**40**	**(61)**	**4**	**17**	-
From general fund to designated funds for office building for prior year building retention	**(6)**	**6**			-
	(4,670)	**(45)**	**3,727**	**988**	**-**

The funds that have been transferred have been used in line with any applicable restrictions and have been transferred to make the presentation of the expenditure more transparent. The spending of the funds has extinguished any restrictions.

13. Net income for the year

These are stated after charging:	**2020 £000**	2019 £000
Fees payable to the auditor for audit services	**19**	18
Fees payable to the auditor for non audit services	**1**	3
Whalley Abbey Conference House Trading Deficit	**146**	183

14. Staff numbers and costs

The average number of people employed during the year was 42.0 *(2019: 49.0)* of this 1.0 *(2019: 3.0)* were sessional workers employed at Whalley Abbey and in Social Responsibility Projects.

The full-time equivalent employees during the year, including sessional workers, has been analysed by teams.

	2020	2019
Enablers and Obligations	**18.9**	19.6
Whalley Abbey Conference House	**5.6**	9.0
Vision 2026 Coordinator	**1.6**	1.3
Growing Leaders	**3.6**	4.2
Making Disciples	**2.4**	2.5
Being Withnesses including Social Responsibility Projects	**1.3**	1.2
Urban Evangelists	**2.4**	1.8
	35.8	39.6

Certain of the costs with reference to the staff numbers analysis by teams above, are recovered from DBE Services Ltd (0.4), Blackburn Diocesan Board of Education (1.3) and Strategic Development Funding (2.4).

The aggregate payroll costs of all employees were as follows:

	2020 £000	2019 £000
Wages and salaries	**1,238**	1,230
Redundancy and settlement payments	**93**	39
Social security costs	**118**	111
Other pension costs	**186**	196
	1,635	1,576

There was one employee whose salary was in excess of £60,000 in the band £70,000 to £80,000 (*2019: one employee in the band £70,000 to £80,000*). Pension contributions in respect of this employee were £30,743 (*2019: £30,034*).

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 and Company Secretary:	Canon Graeme Pollard
Head of Finance and Deputy Diocesan Secretary	Mrs Ruth McGaughey

Remuneration, pensions and expenses for these 2 employees amounted to £196,992 (*2019: £198,524 for 2 employees*).

In addition to the foregoing numbers of persons employed by the charitable company in 2020 there were 169.5 (*2019: 161.2*) full time equivalent stipendiary clergy in post in the Diocese. These may be analysed as follows:

	2020	2019
Archdeacons	**1.9**	1.7
Incumbents	**139.2**	134.3
Assistant Curates	**25.4**	24.2
Lay Workers	**3.0**	1.0
	169.5	161.2

The average number of stipendiary clergy in post during 2020 was 176 (*2019: 177.5).*

Although not employed by the charitable company the payroll costs of the above persons are met by the charitable company and are included in the financial statements. The aggregate payroll costs of the above persons are as follows:

	2020	2019
	£000	£000
Stipend	**4,442**	4,151
Redundancy and settlement payments	**30**	26
Social security costs	**357**	327
Apprenticeship Levy	**21**	19
Pension costs - current year	**1,171**	1,103
- interest costs	**9**	62
	6,030	5,688

Trustees' emoluments

	Average number of directors	
	2020	2019
Directors	**23.6**	24.5

No trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £7,185 (*2019 - £14,602)* in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Trustees.

Trustees who are also licensed stipendiary clergy and archdeacons in the Diocese were in receipt of a stipend and housing provided by the BDBF during the year. The BDBF is also responsible for the provision of housing for the Suffragan Bishops but excluding the Diocesan Bishop and cathedral staff.

15. Pension schemes

Church of England Funded Pension Scheme

The BDBF 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 Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

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

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

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

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

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

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

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

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

	2020 £'000	2019 £'000
Balance sheet liability at 1 January	1,048	3,169
Deficit contribution paid	(499)	(463)
Interest cost (recognised in SoFA)	9	62
Remaining change to the balance sheet liability* (recognised in SoFA)	38	(1,720)
Balance sheet liability at 31 December	596	1,048

* Comprises change in agreed deficit recovery plan and change in discount rate 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	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% 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.

Group Personal Pension Plan

The BDBF participates in a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the BDBF in an independently administered fund. The pension cost charge for the year represents contributions payable by the BDBF to the fund.

Church Workers Pension Fund

The BDBF (DBS) participates in the Defined Benefits Scheme section of the 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.

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, the 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.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such 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: £60,088; 2019: £68,006), plus any impact of deficit contributions highlighted in the table below.

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 the DBS is carried out once every three years, the most recent having been 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 Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m.

A valuation as at 31 December 2019 was under way as at 31 December 2020. The contributions agreed at that valuation will be reflected in the figures disclosed in the 2021 accounts.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 41.2% of pensionable salary and expenses of £2,900 per year.

The BDBF and the Blackburn Diocesan Board of Education (BDBE) are jointly in the scheme and the Directors will agree a split of the liability.

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

Joint Movement	2020 £'000	2019 £'000
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	-	-
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate 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	0.00%	0.00%	0.00%

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.

Parsonages Board Retirement Benefit Schemes

The Parsonages Board Retirement Benefit Schemes contains one scheme with one member. It is a defined benefit scheme with the Ecclesiastical Insurance Group.

The scheme is not considered material within the assets of the Blackburn Diocesan Board of Finance and due to the cost to the charity of obtain information on the scheme the Blackburn Diocesan Board of Finance have not complied in full with the requirements of FRS102.

The deficit was recognised at 1 January 2014 based on the triannual valuation (2013) of £94,200. The SOFA has been charged with the future service contribution rate with the past service deficit reducing the balance sheet liability in the intervening years. The balance sheet deficit has been adjusted on receipt of the latest triannual valuation report (June 2019). The deficit recognised at 31 December 2020 is £93,100.

16. Analysis of grants made

	Nbr	Grants to Individuals	Grants to Institutions	2020 Total	2019 Total
From Unrestricted Funds for national Church responsibilities					
Contributions to Archbishops Council	5	-	372	**372**	401
Training	1	-	302	**302**	302
General Synod Expenses	11	6	-	**6**	14
From Unrestricted Funds to					
Grants to Ordinands	15	127	-	**127**	139
Grant to Board of Education	1	-	369	**369**	363
Charities nominated at Archdeacons Visitaions	-	-	-	**-**	3
Churches Together In Lancashire	1	-	6	**6**	6
Together Lancashire	1	-	10	**10**	-
From Designated Funds to					
Parishes from Allchurches fund	6	-	14	**14**	26
From Restricted Funds to					
Parishes from Parish Vision Grant fund	28	-	128	**128**	98
Inter Diocesan Counselling Service	1	-	5	**5**	5
Parishes from Allchurches Trust	3		5	**5**	-
Ordinands from RME fund	28	20	-	**20**	22
Retired Clergy and Clergy Widows	180	44	-	**44**	56
Charities nominated at Bishops Harvest Appeal	2	-	24	**24**	22
Parishes from Lower Income Communities Funding	23	-	198	**198**	112
Other Grants to Parishes	4	-	177	**177**	109
Other Grants to Clergy and Ordinands	3	1	-	**1**	3
Total Grants Payable	313	198	1,610	**1,808**	1,681

17. Tangible fixed assets

	Parsonages £000	*Non Parsonages/ Land* £000	Total Freehold land and buildings £000	Long leasehold buildings £000	Fixtures, fittings and office equipment £000	Total £000
Cost or valuation						
At beginning of year	25,996	14,187	**40,183**	316	223	**40,722**
Additions	796	975	**1,771**	-	21	**1,792**
Disposals	-	(748)	**(748)**	-	(6)	**(754)**
Transfers	(104)	104	**-**	-	-	**-**
At end of year	26,688	14,518	**41,206**	316	238	**41,760**
Depreciation						
At beginning of year	-	896	**896**	265	107	**1,268**
Charge for year	-	50	**50**	10	29	**89**
Disposals	-	-	**-**	-	(4)	**(4)**
At end of year	-	946	**946**	275	132	**1,353**
Net book value						
At 31 December 2020	**26,688**	**13,572**	**40,260**	**41**	**106**	**40,407**
At 31 December 2019	25,996	13,291	39,287	51	116	39,454

Parsonage houses are legally vested in the incumbent (an "ecclesiastical corporation sole") as freeholder during his incumbency. Three features of the incumbent's freehold have significantly influenced the accounting treatment adopted in these financial statements. Firstly, the freeholder is not free to dispose of the house for personal benefit and is not responsible for maintaining the house. Secondly, proceeds of any sale, following a pastoral reorganisation which makes the house surplus, normally revert to the Diocesan Pastoral Account or Diocesan Stipends Fund. Thirdly, the Diocese is responsible for repair and maintenance, a responsibility which is currently carried out by the Diocesan Property Committee. The Diocese therefore carries both the benefits and obligations of ownership, and accordingly the financial statements include the parsonage houses together with other Diocesan land and buildings.

Parsonage houses and other Diocesan residential houses have been included in tangible fixed assets at cost, or valuation where cost was not available for houses purchased prior to 1998. The valuation attributed to each house was the mid-point (low point for the top two bands) of the council tax valuation banding applied to the house. The aggregate value of the houses valued in this way amounted to £20,724,000 *(2019: £21,006,000)*.

Heritage Asset

Whalley Abbey was bought from the Diocese of Manchester in 1926. It comprises substantial remains of a Cistercian Abbey founded in 1296 and dissolved in 1537.

The Abbey of St Mary the Virgin, also known as Locus Benedictus de Whalley was founded by Henry de Lacy, third Earl of Lincoln on the 4th April 1296. The Abbey had moved from the unfavourable site of Stanlaw into the Parsonage and other temporary buildings at Whalley in 1283, when there were 20 monks.

Excavation has uncovered the outlines of the church, surviving as foundations, as does the eastern claustral range and the polygonal Chapter House.

The standing Abbey buildings and Conference House

The following notes are extracted from the Conservation Plan prepared in 2002.

The Conservation Plan was compiled under the direction of John Prichard (Lloyd Evans Prichard), architect accredited in building conservation, with architectural history advice from James Anderson and Clare Hartwell (Architectural History Practice), and archaeological advice from Jason Wood (Heritage Consultancy Services).

North-East Gatehouse

The North-East Gatehouse dates to circa 1480, and was constructed to provide an impressive entrance to the Abbot's Lodging and *Clausum*, the sacred precinct. It echoes the earlier North-West Gatehouse with its two entrance ways, but is embellished with diagonal buttresses, crenellation, and a statue niche.

Courtyard North Range

The Courtyard North Range may include some medieval content, but the present structures are principally seventeenth century, with nineteenth-century additions, and substantial late twentieth-century alterations to create the tea room, kitchen, and exhibition room. It is excluded from the scheduling.

The Conference House

The Conference House is excluded from the scheduling, but it deserves its Grade I status and is of national significance. The individual components are considered below, and elements of significance discussed.

The central block includes original medieval fabric, such as the arch adjacent to the chapel, as well as medieval stonework which has probably been re-used from demolished structures, such as the window between the Dining Room and the kitchen. The nineteenth century interiors are a very good example of Gothic Revival/Arts and Crafts work; particularly noteworthy is the roof and fireplace in the Great Hall and the staircase decorated windows.

The East Wing

The East Wing extends south from the chapel and comprises inter alia the Paslew Suite and the Peter of Chester room on the ground floor, and seven bedrooms on the first floor. The Paslew Suite and Peter of Chester room may incorporate medieval material, but they, and the bedrooms immediately above, were substantially rebuilt in the late sixteenth century, as evidenced by the mullioned windows in the east wall, the date stone (not always a true indicator and the dating of Forrest Historic by English Heritage during the 21stC refurbishment works. An extension was added in the mid-nineteenth century, with bedrooms above.

The West Wing

The West Range was added in the 1860s, and was well designed externally to blend with the late seventeenth-century gabled north extension, and the remains of the Abbot's Kitchen and Long Gallery Range on the west.

The BDBF recognises its responsibility to preserve the heritage asset and is currently looking to raise funds to be able to undertake work on the ruins. It does not intend to acquire other heritage assets. Whalley Abbey grounds are open to the public to view the ruins but access is restricted to the buildings on the site.

The current asset value for Whalley Abbey is £0.9m after a major refurbishment of the house in 2004. The asset is being depreciated over 15 years to £0.5m. The depreciated value represents the value in the accounts of the whole site and is based on an indication made by a local surveyor. It is difficult to obtain an accurate valuation for the site as the ruins represent a continued liability for their maintenance and upkeep which considerably reduces the value of the asset if sold in its entirety.

18. Investments and investment property

	Investment Property	Unlisted CBF investments	Others investments	Total investments
	£000	**£000**	**£000**	**£000**
At valuation				
At beginning of year	2,798	20,513	15	23,326
Additions	-	12	-	12
Disposals	(1,095)	-	-	(1,095)
Increase (decrease) in market value	134	1,044	-	1,178
At end of year	1,837	21,569	15	23,421
At historic cost	552	10,718	15	11,285

Investment property is Diocesan glebe land vested in the DBF under the Endowments and Glebe Measure 1976 that is held for the purposes of producing income for clergy stipends. The glebe land is measured at fair value at the year end by an independent RICS registered valuer. The valuation has been undertaken in accordance with International and RICS Valuation Standards and has been based upon the valuer's experience in the valuation of agricultural, institutional and amenity land within the Lancashire and wider north-west region.

Unlisted investments are made up of Central Board of Finance investments in Church of England Investment Fund shares, Property Fund shares and Fixed Interest Securities.

19. Debtors

	2020	2019
	£000	£000
Amounts receivable within one year		
Prepayments and accrued income	**339**	251
Other debtors	**39**	42
Amount owed by related parties (Cidari Education)	**6**	1
Loans to parishes	**21**	38
Loans to individuals	**2**	-
	407	332

	£000	£000
Amounts receivable after more than one year		
Loans to parishes	**819**	548
Loans to related parties (All Saints)	**10**	-
Amount owed by related parties (Cidari Education)	**11**	21
	840	569

20. Creditors

	2020	2019
	£000	£000
Amounts falling due within one year		
Trade creditors	**189**	162
Other creditors (taxation and social security)	**35**	41
Other creditors	**260**	182
Accruals	**103**	147
Amounts owed to related parties (BDBE)	**114**	37
	701	569

	2020	2019
	£000	£000
Amounts falling due after more than one year		
CCLA loans	**550**	550
Due to Churches Conservation Trust	**157**	157
Provisions for liabilities: Pension deficit	**689**	1,048
	1,396	1,755

The long term loans from CCLA are flexible loan facilities subject to a maximum repayment term of 10 years. There are no current plans to make any payments in the next 12 months.

The amount owed to Churches Conservation Trust is due on disposal of five redundant church buildings.

21. Commitments

Commitments at 31 December 2020, for which no provision has been made in these accounts, were as follows:

	2020	2019
	£000	£000
Authorised, but not contracted:		
Parish Vision Grant Fund	**148**	228
Allchurches Grant Fund	**10**	18
Clergy Housing Fund	**306**	139
	464	385

22. Called up share capital

The charitable company is limited by guarantee, registered in England and does not have an authorised or allotted share capital.

23. Net assets analysed by fund

	Tangible Fixed Assets	Fixed Asset Investment	Net Current Assets	Long term Creditor	Net assets as at 31 December 2020
	£000	£000	£000	£000	**£000**
General Fund	2,350	6,365	888	(1,107)	8,496
Designated Funds	-	518	2,108	-	2,626
Total Unrestricted Funds	2,350	6,883	2,996	(1,107)	11,122
Pastoral Account	8,748	-	1,093	(289)	9,552
Other Restricted Funds	-	258	1,259	-	1,517
Total Restricted Funds	8,748	258	2,352	(289)	11,069
Parsonage Houses Fund	26,688	1,037	-	-	27,725
Stipends Capital / Housing Fund	2,621	10,773	1,475	-	14,869
Other Endowment Funds	-	4,470	5	-	4,475
Total Endowment Funds	29,309	16,280	1,480	-	47,069
Total	**40,407**	**23,421**	**6,828**	**(1,396)**	**69,260**

24. Unrestricted funds

Unrestricted funds comprise those funds which are available for application for the general purposes of the charity as set out in its governing document. Movements on this fund are as follows:

	At 1 January 2020 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2020 £000
General Fund	7,209	8,870	(3,184)	271	(4,670)	8,496

	At 1 January 2020 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2020 £000
Designated Funds						
Office Assets Fund	367	12	-	27	5	411
Parsonages Fund	327	-	(3)	-	-	324
Parish Vision 2026 Fund	420	1	-	-	-	421
Diocesan Vision Strategic Development Fund	690	-	-	-	(61)	629
Diocesan Vision 2026 Fund	396	79	(46)	-	(9)	420
Allchurches Trust Grant Fund	241	73	(16)	-	-	298
Other Designated Funds	103	-	-	-	20	123
	2,544	165	(65)	27	(45)	2,626

General Fund

The general reserve represents those assets held by the Board for carrying out its general activities. It provides the assets and liquidity for the Board to carry out its objectives, including statutory compliance, administration of funds and some housing. The Board's policy is to maintain sufficient levels of cash and liquid assets to cover short term fluctuations in incoming resources. The Board were satisfied that the general reserves at the year end were within acceptable levels compared to this policy.

Designated Funds

Fund	Application/purpose
Income for specific purposes	Designated to provide income to specific purposes in the parish share budget
Office Assets Fund	Designated for repairs, renovation or for buying a new building in the future.
Parsonages Fund	For repairs and disability adaptation on parsonages in excess of parish share budget
Parish Vision 2026 Loan Fund	Designated to provide some of the loans to parishes to continue their mission projects
Diocesan Vision Strategic Development Fund	Designated to provide match funding necessary for Strategic Development Funding applications
Diocesan Vision 2026 Fund	Designated to contingencies for the development of the diocesan vision
Allchurches Trust Grant Fund	The fund assists with funding the cost of diocesan projects, building administration costs, education, parish mission projects and major building works.

25. Restricted funds

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

	At 1 January 2020 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2020 £000
Diocesan Pastoral Account	9,812	187	(112)	-	(335)	9,552
Diocesan Stipends Fund Income Account	-	989	(6,362)	-	5,373	-
Social Responsibility Projects	146	20	(32)	-	-	134
Parish Vision 2026 Grant Fund	250	26	(128)		-	148
Bishops Clergy Widows Fund	599	73	(45)	(14)	-	613
Bishops Ordination Fund	150	5	(1)	-	-	154
Resourcing Ministerial Education (RME) Fund	41	220	(172)	-	-	89
Bishop's Harvest Appeal	21	23	(24)		-	20
Bishop's Clergy in Need Fund	35	-	-	-	-	35
SDF Funded Projects	(66)	545	(444)	-	(29)	6
Lower Income Communities Funding	-	1,310	(198)	-	(1,112)	-
Parish Pastoral Fund	316	-	-	-	(150)	166
Other Restricted Funds	162	62	(52)	-	(20)	152
	11,466	3,460	(7,570)	(14)	3,727	11,069

The specific purposes for which the funds are to be applied are as follows:

Fund	Application/purpose
Diocesan Pastoral Account	Purposes are laid down in Section 78 of the Pastoral Measure 1983, the main purposes being: ● Costs incurred for the purposes of the Measure or any scheme or order made by the measure except for salaries of regular diocesan employees ● Costs of disposing of or maintaining houses or churches vested in the DBF or Commissioners ● For the benefit of another diocese ● Transfer to the DSF Capital or Income Funds
Diocesan Stipends Fund Income Account	Subject to any charges imposed by the 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

	● Paying secondary Class 1 contributions in respect of ministers not employed under a contract of service ● Defray sequestrators' expenses
Social Responsibility Projects	The Social Responsibility section received funding for specific projects and for its general costs relating to those projects. Project funding was restricted to the project it had been requested for and approved expenditure is applied against the funding in accordance with the funders rules.
Parish Vision 2026 Grant Fund	The Grant Fund exists to enable parishes to fulfil mission opportunities, normally through the appointment of lay workers.
Bishops Clergy Widows Fund	The Bishop's Clergy Widows Fund is used to help clergy widows and retired clergy in cases of financial hardship, particularly with housing costs. It funds the cost of social events and the cost of the Diocesan Officer and Bishop's visitors.
Bishops Ordination Fund	The Ordination Fund is used to assist with meeting the costs of Ordinands in training.
Bishop's Harvest Appeal	Each year the Bishop selects a charity to benefit from his Harvest Appeal. Parishes, Schools and individuals within the Diocese collect money in support of this charity and the monies are distributed by the Diocese in accordance with the appeal.
Bishop's Clergy Fund	The fund was established by transfer of some of the Extra Mission and Ministry funds received from the Archbishops' Council 2008 – 2010. Grants from the fund are awarded at the discretion of the Bishop, to serving clergy in the Diocese.
Resourcing Ministerial Education (RME) Fund	Specific funding for Ordinands in training from National Church.
Strategic Development Fund, Funded Projects	Specific funding for the Outer Estates project and Preston Resourcing parish from National Church
Lower Income Communities Fund	Funding to promote the growth of churches in Lower Income Communities
Parish Pastoral Fund	This fund reflects monies ring fenced from the sale of a vicarage in a parish where no scheme for pastoral re-organisation is currently in place. The monies must be held until either a vicarage is purchased, or a scheme is put in place.

26. Endowment funds

The endowment funds are held on trust to be retained for the benefit of the Charity as a capital fund. Where the whole of the fund must be permanently maintained it is known as permanent endowment. Where there is power of discretion to convert endowed funds into income, the fund is classified as expendable endowment.

	At 1 January 2020	Income	Expenditure	Gains and losses	Transfers	At 31 December 2020
	£000	£000	£000	£000	£000	£000
Expendable endowment						
Diocesan Stipends Fund Capital Account	14,493	161	(100)	522	(207)	14,869
Parsonage Houses Fund	26,966	196	(699)	67	1,195	27,725
	41,459	357	(799)	589	988	42,594
Permanent endowment						
Bishops Clergy Widows Fund	2,097	-	-	144	-	2,241
Maintenance of the Ministry	291	-	-	20	-	311
General purposes	362	-	-	25	-	387
Whalley Abbey	159	-	-	11	-	170
Other endowments	95	-	-	7	-	102
Stipends	1,204	-	-	60	-	1,264
	4,208	-	-	267	-	4,475
	45,667	357	(799)	856	988	47,069

Expendable endowments

The Diocesan Stipends Fund Capital Account

This fund represents the value of glebe property and investments at the balance sheet date.

The account is governed by the Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure 1992.

Income arises from the sale of glebe assets, the transfer of parsonage sale money, transfers from the DSF Income account, as well as gifts, bequests and donations.

The main function of the fund is to produce income for the stipends, but it may also be used for other purposes including: acquiring glebe property, investing in a subsidiary, developing and protecting glebe amenities, investment, discharging loans and levies on glebe, improving parsonage houses and discharging any loans made by the Church Commissioners under the Endowments and Glebe Measure 1976.

Parsonages Houses fund

This fund represents the value of benefice houses at the balance sheet date, together with the Parsonages Building Fund held by the Church Commissioners and investments held by the Parsonages Board. The houses are used to provide accommodation for the parochial clergy.

The Diocese is not free to dispose of the houses except in accordance with the appropriate measure. There is provision for the net proceeds of sale to be applied to either the Diocesan Pastoral Account or Diocesan Stipends Fund Capital once a disposal has been effected.

Permanent endowments

The permanent endowments are established under a variety of trust deeds and documents which require the funds to be held in perpetuity. The income of the funds is to be applied to the Bishops Clergy Widows fund, Maintenance of the Ministry fund, General purposes fund, Diocesan Stipends Income fund, Whalley Abbey fund and other smaller endowment funds.

27. Related parties' transactions

During the year the company shared office space with the Blackburn Diocesan Board of Education, Cidari Education Ltd and Blackburn Cathedral. Shared expenditure has been recharged at cost.

	2020 Recharges (excl. VAT)	**2020 Grants made to related parties**	2019 Recharges (excl. VAT)	2019 Grants made to related parties
	£	**£**	£	£
Blackburn Diocesan Board of Education	**15,474**	**371,045**	23,678	365,001
Cidari Education Ltd	**9,836**	**-**	10,776	-
Blackburn Cathedral	**-**	**-**	-	22,500

During the year £93,268 has been paid to the All Saints Centre for Mission and Ministry for training of readers and ordinands (*2019: £102,277).* The BDBF has also received £43,334 from the All Saints Centre for Mission and Ministry for the seconded staff (*2019: £20,643).*

At the year end the balances due from related parties were as follows:

	Outstanding Trade Balances at 31/12/2020	**Outstanding Loan Balances at 31/12/2020**	Outstanding Trade Balances at 31/12/2019	Outstanding Loan Balances at 31/12/2019
	£	**£**	£	£
Cidari Education Ltd	**16,865**	**-**	21,949	-
Blackburn Cathedral	**9,854**	**725,854**	-	425,340
All Saints Centre	**-**	**10,000**	-	-

At 31 December 2020 there was a balance due to the Blackburn Diocesan Board of Education of £113,688 (*2019: £37,694)*.

During the year donations received from trustees amounted to £4,124 (*2019: £3,980*). No donations have been received from key management personnel (*2019: £nil*).

28. Financial instruments

	2020	2019
	£000	£000
Financial assets measured at fair value	**23,421**	23,326
Financial assets measured at amortised cost	**7,524**	6,426
Financial liabilities measured at amortised cost	**1,940**	2,167
Financial liabilities measured at fair value	**157**	157

Financial assets measured at fair value comprise investments.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and receivables and parish loans.

Financial liabilities measured at amortised cost comprise accruals, other creditors, the Clergy Pension Scheme liability and amounts held for other bodies.

Financial liabilities measured at fair value comprise value linked loans.

29. Funds held as custodian trustee

The BDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. PCC trust investment assets held by the BDBF have been summarised below at market value:

	2020	2019
	£000	£000
CBF Church of England Deposit fund	**5,120**	5,341
CBF Church of England Investment fund	**10,739**	9,784
CBF Church of England Fixed Interest fund	**384**	370
CBF Church of England Property fund	**61**	64
Other	**44**	44
Cash at bank	**5**	3
Total assets held as custodian trustee	**16,353**	15,606

The BDBF also acts as custodian trustee in relation to Parochial Church Council (PCC) property. These assets are held separately to those of the BDBF.

30. Prior year comparative Statement of Financial Activities

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			2019
	£000	£000	£000	£000	£000
Income and endowments from:					
Donations and legacies					
Parish contributions	7,585	-	-	-	7,585
Archbishops' Council and Church commissioners	30	-	2,436	-	2,466
Other	16	144	199	19	378
Charitable activities: statutory fees, chaplaincy and other income	171	-	559	-	730
Other trading activities	229	-	127	150	506
Investments	232	12	460	29	733
Other	7	1	798	43	849
Total Income and endowments	8,270	157	4,579	241	13,247
Expenditure on:					
Raising funds	255	-	11	25	291
Charitable activities	3,048	127	7,974	1,097	12,246
Other	-	-	-	24	24
Total Expenditure	3,303	127	7,985	1,146	12,561
Net income/(expenditure) before investments	4,967	30	(3,406)	(905)	686
Net (loss)/gains on investments	790	59	(8)	1,808	2,649
Net income/(expenditure) before transfers	5,757	89	(3,414)	903	3,335
Transfers between funds	(4,675)	(51)	6,922	(2,196)	-
Net income/(expenditure) before other recognised gains and losses	1,082	38	3,508	(1,293)	3,335
Other recognised gains/(losses)					
Gain/(loss) on revaluation of fixed assets	-	-	-	988	988
Gain/(loss) on defined benefit pension schemes	1,719	-	-	-	1,719
Net movement in funds	2,801	38	3,508	(305)	6,042
Reconciliation of funds					
Total funds at 1 January 2019	4,408	2,506	7,958	45,972	60,844
Total funds at 31 December 2019	7,209	2,544	11,466	45,667	66,886

31. Prior year comparative Archbishops' Council and Church Commissioners

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,284	-	1,284
Resourcing Ministerial Education Block Grant	-	-	217	-	217
Strategic Capacity Funding	-	-	42	-	42
Strategic Development Funding	30	-	893	-	923
	30	-	2,436	-	2,466

32. Prior year comparative Other donations

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£000	£000	£000	£000	£000
Allchurches Trust	-	139	35	-	174
Donations	16	5	74	-	95
Other Grants	--	-	90	19	109
	16	144	199	19	378

33. Prior year comparative Charitable activities

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	-	-	523	-	523
Church Commissioners -Guaranteed annuities	-	-	2	-	2
Recharge of staff costs	-	-	18	-	18
Whalley Abbey Conference House	92	-	-	-	92
Social Responsibility projects fees	-	-	-	-	-
Sale of publications	20	-	-	-	20
Income for training courses	26	-	-	-	26
Other fees/sales	33	-	16	-	49
	171	-	559	-	730

34. Prior year comparative Other trading activities

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£000	£000	£000	£000	£000
Rental Income	86	-	127	150	363
Whalley Abbey Conference House	94	-	-	-	94
Accounting and Legal services	45	-	-	-	45
Other fees/sales	4	-	-	-	4
	229	-	127	150	506

35. Prior year comparative Investment Income

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£000	£000	£000	£000	£000
Dividends receivable	222	11	415	29	677
Interest receivable	10	1	15	-	26
Rents receivable	-	-	30	-	30
	232	12	460	29	733

36. Prior year comparative Other income

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£000	£000	£000	£000	£000
Gains on disposal of fixed assets	-	-	798	-	798
Gains on disposal of investments	-	-	-	43	43
Loan interest	7	1	-	-	8
	7	1	798	43	849

37. Prior year comparative Cost of raising funds

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£000	£000	£000	£000	£000
Project Management	14	-	-	-	14
Parish share					
Secretariat	8	-	-	-	8
Archdeacons	-	-	5	-	5
Bishop's Harvest Appeal	-	-	1	-	1
Investment Management Costs	5	-	2	-	7
Rents	9	-	3	25	37
Fundraising Trading Whalley Abbey	185	-	-	-	185
Fundraising Trading other	34	-	-	-	34
	255	-	11	25	291

38. Prior year comparative Expenditure on charitable activities

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£000	£000	£000	£000	£000
Contributions to Archbishops' Council					
Training for ministry	302	-	-	-	302
National Church responsibilities	240	-	-	-	240
Grants and provisions	26	-	-	-	26
Mission Agency pension contributions	3	-	-	-	3
Retired clergy housing costs (CHARM)	103	-	-	-	103
Pooling of ordinand candidates costs	29	-	-	-	29
General Synod expenses	14	-	-	-	14
	717	-	-	-	717
Parish ministry					
Stipends & National Insurance	-	-	4,468	-	4,468
Pension contributions	62	-	1,103	-	1,165
Housing costs	43	12	333	1,097	1,485
Removal, resettlement and other grants	-	-	273	-	273
Other expenses	-	4	39	-	43
	105	16	6,216	1,097	7,434
Support for ministry	1,450	38	173	-	1,661
Whalley Abbey Conference House	239	-		-	239
Whalley Abbey House Renovation	-	-	54	-	54
Redundant churches	-	-	67	-	67
Strategic Development Fund Projects	-	47	1,010	-	1,057
Social Responsibility Projects	-	-	28	-	28
Grants to Parishes, individuals and other charities	149	26	426	-	601
Sale of Publications	25	-	-	-	25
Miscellaneous Expenses	-	-	-	-	-
	1,863	111	1,758	-	3,732
Expenditure on education					
Grants for the work of the Board	363	-	-	-	363
	363				363
Charitable activities	3,048	127	7,974	1,097	12,246

39. Prior year comparative Analysis of expenditure including allocation of support costs

	Activities undertaken directly	Grant funding of Activities	Manage-ment Admin Support	Total 2019
	£000	£000	£000	£000
Fundraising Trading Whalley Abbey	185	-	-	185
Cost of raising funds	79	-	27	106
Contributions to Archbishops' Council	-	717	-	717
Resourcing ministry and mission	9,785	601	780	11,166
Education	-	363	-	363
Other	24	-	-	24
	10,073	1,681	807	12,561

40. Prior year comparative Analysis of support costs

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£000	£000	£000	£000	£000
Raising Funds	22	-	5	-	27
Central Administration	397	-	-	179	576
Governance costs					
Secretariat	51	-	-	-	51
Accounting and Finance Office	37	-	-	-	37
Audit & accountancy fees	21	-	-	-	21
Diocesan Synod costs	12	-	-	-	12
DBF Executive and Bishop's Council Meetings	10	-	-	-	10
Chancellor and Registrar Fees	73	-	-	-	73
	623	-	5	179	807

41. Prior year comparative Net assets analysed by fund

	Tangible Fixed Assets	Fixed Asset Investment	Net Current Assets	Long term Creditor	Net assets as at 31 December 2019
	£000	£000	£000	£000	£000
General Fund	2,392	6,056	227	(1,466)	7,209
Designated Funds	-	480	2,064	-	2,544
Total Unrestricted Funds	2,392	6,536	2,291	(1,466)	9,753
Pastoral Account	9,280	-	820	(289)	9,811
Other Restricted Funds	-	272	1,383	-	1,655
Total Restricted Funds	9,280	272	2,203	(289)	11,466
Parsonage Houses Fund	25,996	970	-	-	26,966
Stipends Capital / Housing Fund	1,786	11,345	1,362	-	14,493
Other Endowment Funds	-	4,203	5	-	4,208
Total EndowmentFunds	27,782	16,518	1,367	-	45,667
Total	**39,454**	**23,326**	**5,861**	**(1,755)**	**66,886**

42. Prior year comparative Unrestricted funds

	At 1 January 2019	Income	Expenditure	Gains and losses	Transfers	At 31 December 2019
	£000	£000	£000	£000	£000	£000
General Fund	4,408	8,270	(3,303)	2,509	(4,675)	7,209
Designated Funds						
Office Assets Fund	328	11	-	59	(31)	367
Parsonages Fund	229	-	(12)	-	110	327
Parish Vision 2026 Fund	419	1	-	-	-	420
Diocesan Vision Strategic Development Fund	729	-	-	-	(39)	690
Diocesan Vision 2026 Fund	369	75	(47)	-	(1)	396
Allchurches Trust Grant Fund	201	69	(29)	-	-	241
Other Designated Funds	231	1	(39)	-	(90)	103
	2,506	157	(127)	59	(51)	2,544

43. Prior year comparative Restricted funds

	At 1 January 2019 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2019 £000
Diocesan Pastoral Account	6,330	645	(315)	-	3,152	9,812
Diocesan Stipends Fund Income Account	-	1,046	(6,094)	-	5,048	-
Social Responsibility Projects	156	18	(28)	-	-	146
Parish Vision 2026 Grant Fund	320	28	(98)	-	-	250
Bishops Clergy Widows Fund	592	74	(59)	(8)	-	599
Bishops Ordination Fund	144	16	(2)	-	(8)	150
Resourcing Ministerial Education (RME) Fund	10	216	(185)	-	-	41
Bishop's Harvest Appeal	21	23	(23)	-	-	21
Bishop's Clergy in Need Fund	37	-	(2)	-	-	35
SDF Funded Projects	10	981	(1,057)	-	-	(66)
Lower Income Communities Funding	-	1,284	(112)	-	(1,172)	-
Parish Pastoral Fund	189	159	-	-	(32)	316
Other Restricted Funds	149	89	(10)	-	(66)	162
	7,958	4,579	(7,985)	(8)	6,922	11,466

44. Prior year comparative Endowment funds

	At 1 January 2019 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2019 £000
Expendable endowment						
Diocesan Stipends Fund Capital Account	12,534	43	(24)	2,018	(78)	14,493
Parsonage Houses Fund	29,856	198	(1,122)	152	(2,118)	26,966
	42,390	241	(1,146)	2,170	(2,196)	41,459
Permanent endowment						
Bishops Clergy Widows Fund	1,767	-	-	330	-	2,097
Maintenance of the Ministry	245	-	-	46	-	291
General purposes	298	-	-	64	-	362
Whalley Abbey	134	-	-	25	-	159
Other endowments	87	-	-	8	-	95
Stipends	1,051	-	-	153	-	1,204
	3,582	-	-	626	-	4,208
	45,972	241	(1,146)	2,796	(2,196)	45,667