

THE COVENTRY DIOCESAN BOARD OF FINANCE LTD

England & Wales · Charity number 247828

Details

Other names	COVENTRY DIOCESE - DIOCESE OF COVENTRY
Status	Registered
Legal form	Charitable company
Company number	00319482
Registered	1966-11-14
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROMOTE AND ASSIST THE WORK OBJECTS PURPOSES AND MINISTRY OF THE CHURCH OF ENGLAND FOR THE ADVANCEMENT OF THE CHRISTIAN RELIGION IN THE DIOCESE OF COVENTRY. FOR FURTHER DETAILS PLEASE REFER TO CLAUSE 3 OF THE MEMORANDUM.

Activities: The activities of the Coventry Diocesan Board of Finance Limited are wide but its primary activity is to support the clergy of the Diocese through the payment of stipends, the management and maintenance of parsonages and other ministerial housing and provide training and other support to both clergy and lay people in parishes across the Diocese.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** DIOCESE OF COVENTRY
- Coventry City
- Warwickshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£11,040,000	£12,225,000	£102,085,000	46
2023-12-31	£10,326,000	£11,652,000	£96,383,000	42
2022-12-31	£11,135,000	£12,056,000	£94,096,000	43
2021-12-31	£9,424,000	£9,740,000	£99,339,000	44
2020-12-31	£10,151,000	£9,173,000	£93,874,000	52

Trustees

Name	Role	Appointed
STEPHEN JOHN COOMBER	Chair	2024-01-01
Alicia Sampson		2024-10-01
Andrew Edisto Rolls		2024-10-01
Anthony John Edmund Rich		2024-10-01
Canon Kate Ishbel Massey		2026-06-01
Christopher Thomas Powell		2024-10-01
David Bernard Rake		2024-10-01
Dr Anita Nora Carmel Morgan		2023-09-15
Esther Louise Peers		2026-02-03
Mary Joanna King		2018-08-01
PHILIP SEWARDS MA, FIOD		2021-11-20
REVEREND DANIEL JAMES CORLETT		2024-10-01
REVEREND JONATHAN NOEL JEE		2021-08-26
Rev Alastair Prince		2026-02-03
Rev BARRY JAMES JACKSON		2021-08-26
Rev Claire Louise McArthur		2018-08-01
Rev Gail Ann Phillip		2024-10-01
Rev Sophie Rebecca Jelley		2025-02-14
Rev Timothy David Cockell		2023-07-03
Revd Canon Graeme Lindsley Pringle		2024-10-01
Revd Canon Richard Charles Hibbert		2024-10-01
SUSAN ELIZABETH WILLIAMS		2021-09-07
Timothy Hugh Pollard		2016-01-01

Accounts



DIOCESE^{OF}
COVENTRY



Coventry Diocesan Board of Finance Limited

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Company Registered Number: 319482
Registered Charity Number: 247828

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS - for the year ended 31 December 2024

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COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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A Message from Bishop Tim

It has been a privilege to serve you in the Diocese, albeit for a very short space of time, during the final months of the episcopal vacancy and in anticipation of Bishop Sophie's arrival. Thanks are due to Bishop Ruth for her gracious and generous service throughout 2024. Her leadership, energy, and gifts provided vital continuity, and we pray for her as she begins her ministry in Liverpool.

While the annual report and accounts is a statutory requirement for the Coventry Diocesan Board of Finance, it also tells a broader story of mission, service, and commitment. It is inspiring to witness the breadth of work carried out in 2024, often above and beyond the financial, by our clergy, lay leaders, and diocesan staff.

From enhanced governance and HR support for parishes, to releasing grants enabling community outreach, church building development, and environmental progress, the CDBF has underpinned vital work across the diocese. This, alongside our strategic focus on spiritual and numerical growth, new worshipping communities, leadership development, and engagement with children, young people, and families, reflects a deep commitment to our shared mission.

The year closed with the welcome announcement of the Rt Rev'd Sophie Jelley as the next Bishop of Coventry, a joyful milestone and I know +Sophie is excited and eager to fulfil her calling to Coventry and be with you all. Please do keep her in your prayers as she begins her episcopal ministry in this diocese. A special thanks from me goes to the Archdeacons Barry and Tim and to Jacqueline for all they have done to ensure the leadership of the diocese has been well held and for their kindness and generosity towards me.

I extend my sincere thanks to all colleagues in the Diocesan Offices, and especially to our parishes, schools, and chaplaincies. Your dedication and service are at the heart of our diocesan life.

We look ahead with faith and hope, trusting in God's reconciling presence to guide us in all we do.

The Right Revd Tim Thornton
Assistant Bishop

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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Chair's Introduction



This past year has been one of significant transition for the Diocese of Coventry. We began 2024 under the leadership of Bishop Ruth, whose gifts and service we deeply appreciate. Bishop Ruth concluded her time with us in December, and we now look forward with anticipation as Bishop Sophie prepares to take up her role. Her confirmation as the next Bishop of Coventry on 14 February 2025, and her upcoming Welcome and Installation Service at the Cathedral on 7 June, marks the beginning of a new chapter in our diocesan journey. We offer our heartfelt thanks to Bishop Ruth and extend a warm welcome to Bishop Sophie. I'd also like to make special mention of Bishop Tim Thornton, who has graciously agreed to offer his leadership and wisdom during the early part of 2025 as we await Bishop Sophie.

At a national level, safeguarding has rightly remained a major focus across the Church of England. The publication of the Makin Report brought with it significant consequences, including the resignation of the Archbishop of Canterbury, Justin Welby. In the Diocese of Coventry, we continue to take safeguarding with the utmost seriousness. We are committed to creating safe environments across our parishes and institutions, and we have a range of robust safeguarding measures in place to ensure this commitment is upheld.

Financial sustainability remains a concern. While parish share contributions have remained relatively static over the past several years, our costs have continued to rise, resulting in a real-terms decline in available funding. Fortunately, the diocese currently benefits from healthy reserves, which allow us to meet our short- to medium-term obligations. However, this is not a long-term solution. A review of parish share is now underway, and we anticipate the CDBF Finance Team will bring forward recommendations later in 2025 on how it should be facilitated in the future to better support our shared mission.

I am greatly encouraged by the many signs of hope and success in the life of our diocese this year, from thriving parish initiatives to creative outreach and new vocations, section 1.3 of this report was a joy to read.

We are especially grateful to the diocesan staff and volunteers whose dedication, energy, and faithfulness underpin all that we do. Their commitment has been instrumental in supporting the Bishop's mission and in sustaining our ministry during a time of significant change.

As part of our wider work, we also undertook a full review of diocesan committees. This review will help ensure our governance is more efficient, enabling us to make the best use of our volunteers' time and expertise. The outcomes of this work, alongside the results of the recent triennial elections, have brought fresh voices and renewed energy into our structures—offering great potential as we look ahead. We give thanks for all that has been, and pray for wisdom, courage, and faith as we move forward together in Christ.

Steve Coomber

Chair of Coventry Diocesan Board of Finance Limited

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT - for the year ended 31 December 2024

The trustees, who are also directors for the purposes of company law, present their combined Trustees' Report and Directors' Report, together with the audited financial statements, for the year ended 31 December 2024. The Trustees' and Directors' Report is presented in sections as follows:

Section 1: Strategic Report - which includes a review of achievements and performance in the year

Section 2: Governance Report

Section 3: Trustees' and Directors' Report Approval

SECTION 1: STRATEGIC REPORT

1.1 OBJECTIVES AND ACTIVITIES

The Coventry Diocesan Board of Finance's objective is to support the work of the Church of England and the advancement of Christian religion across the Diocese of Coventry. This includes providing facilities for public worship, pastoral care and spiritual development, and promoting Christian values and services to benefit individuals, communities and society.

In delivering these objectives, CDBF provides funding and organises the following activities:

- The provision of clergy and licensed lay ministers (Readers) engaged in the parochial ministry
- The provision and maintenance of appropriate housing for clergy
- Training for candidates of ministry, lay ministers (Readers), other lay leaders and for curates
- The employment of clergy and lay staff in diocesan-wide enabling ministries such as ministry development, mission, discipleship, and social responsibility
- The provision of support services to parishes
- The employment of staff to manage the administration of the CDBF's work, including Finance, Property, HR, Communications, Safeguarding, and Strategic Programme Management
- The management and investment of glebe and assets held for the benefit of the Diocese

This work is encapsulated in the Memorandum of Association for the CDBF and the priorities and activities for the year is organised within the *Our Shared Future* 2024 framework document.

Public benefit

The trustees are confident that by promoting the work of the Church of England in the Diocese of Coventry the Diocesan Board of Finance (DBF) helps to promote the whole mission of the Church of England - pastoral, evangelistic, social and ecumenical - both in the Diocese as a whole and in its individual parishes, and that in doing so 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.
- Promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the DBF's aims and objectives and in planning future activities.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT - for the year ended 31 December 2024

1.2 PRINCIPAL RISKS

The DBF's Risk Management Policy and Procedure was adopted by the trustees in May 2023. During 2024, the operational and strategic risk registers were separated, in order to provide more focused scrutiny by the relevant groups. The operational risk register is reviewed and updated by the Coventry Operational Leadership Team (COLT) and the Audit & Risk Committee at least three times per year. The strategic risk register is reviewed and updated by the Bishop's Strategy Integration Group (BSIG) at least three times per year. Bishop's Council, as the trustees and directors of the DBF, receive the updated risk registers at each of their meetings and undertake a risk review and horizon scanning exercise annually.

At the end of 2024, the DBF's trustees had identified 28 risks for inclusion on the operational risk register. Of these, 12 risks were noted as 'significant' – ie. those risks where the post-mitigation ranking remains moderate or major. The significant risks were summarised as:

<i>Operational risk description summary</i>	<i>Mitigations & actions</i>
Grant approval process not aligned to strategy.	Grants review undertaken during 2024 to identify potential improvements. Recommendations include changes to some funds (eg. combining building funds), updated application forms, a revised application guide and changes to the background information provided to the committee with applications. Recommendations approved by the trustees in November 2024 for implementation in 2025. The refreshed Grants Committee will be in place from March 2025, with a wider remit across all parish grant funds to provide greater alignment to strategy.
Lack/loss of key parish volunteer roles. Increased burden on decreasing pool of volunteers. Impact on relationship between parishes and DBF.	Support and guidance developed for key functions. Parish HR support service launched during 2024. National funding secured for a Buildings Support Officer role (to begin work in 2025). Volunteer Innovation Project undertaken to further analyse the issues and potential actions. Ongoing churchwarden/treasurer support and training.
Lack of consistent documented procedures, inconsistent record keeping of decision making.	Written procedures in place for key processes – review to take place in 2025. Schedule of Delegated Authority in place - to be updated in 2025. Decisions log implemented for Bishop's Council – decision and action logs will be implemented for the refreshed committee structure in 2025.
Risk that budget does not match key objectives and priorities. Inaccurate/incomplete financial projections and reporting. Inaccurate mapping of income and expenditure.	Financial updates for key committee meetings enabling decisions to be made with accurate information. Regular management accounts for budget holders. Cash flow projections in place to ensure sufficient liquidity. Working group in place to continue development of long-term financial strategy. Financial metrics provided to each Bishop's Council meeting.
Risk of financial loss through inappropriate investment or unforeseen adverse investment conditions. Risk of cash flow difficulties from lack of liquidity.	Investment and Reserves Policies in place, with reviews undertaken by Investment Sub Committee. Investment advice from CCLA. Investments undertaken in line with CofE ethical investment guidelines. Liquidity monitored along with cash flow projections.

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Risk of loss of future income or capital values from unwise use of unapplied total return (UTR). Risk to permanent endowment. Risk of lack of trustee understanding of UTR.	Any proposed annual release of UTR considered by Diocesan Finance Group and Investment Sub Committee prior to review by trustees as part of budget approval process. Potential impact of use of historic reserves considered as part of the development of the long-term financial strategy.
Insufficient income to meet cost of ministry and strategic aims, dependence on limited income sources (Parish Share, investment income).	Investment portfolio actively managed. Ongoing monitoring of Parish Share collection rates by DBF finance team and the Diocesan Finance Group (DFG), early intervention for any potential issues highlighted. Regular financial statements issued to parishes. Ongoing communication between parish and deanery treasurers and DBF finance team. Digital giving support provided via funded device pilot. Stewardship role being developed. Working group established to look at deanery and parish share mechanism.
Impact of maintaining church buildings (missional, financial).	Ongoing development of deanery plans and church buildings strategy. Support provided from Church Buildings Team. DBF and other grant funding available. National funding secured for additional Church Buildings Support Officer role. Provision for potential closure of church buildings looked at within long-term financial strategy.
Wider economic and political situation, impact on finances and wellbeing.	Sources of help promoted to parishes (DBF grant funding, Benefact Trust etc). Ongoing monitoring of wider situation and potential impact. Long-term financial strategy under development.
Impact of outworking of Living in Love and Faith/Prayers of Love and Faith process.	Ongoing monitoring and communication, particularly by the Archdeacons and Bishop's Core Staff Team (BCST). Resourcing and briefing events during 2024.
Potential impact of serious safeguarding incident.	Safeguarding strategy and training programme in place, managed by the Diocesan Safeguarding Team (DST). Additional resources provided to increase DST capacity. Safeguarding dashboard made available to parishes without cost. Diocesan Operational Safeguarding Team (DOST) ongoing review. Diocesan Safeguarding Scrutiny Group (DSSG) provide external scrutiny and support.
Potential issues arising from national safeguarding situation, including publication of Jay and Wilkinson reports. Potential impact of proposed structural safeguarding changes.	Ongoing engagement of DST and diocesan colleagues with regional and national safeguarding colleagues. Engagement with general synod proposals and discussions.

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Strategic risk description summary	Mitigations & actions
Our strategy does not adequately respond to the challenges we face.	Stakeholder engagement with representatives from across the diocese, BCST and Bishop's Council. Review of existing data to gain picture of diocesan health and vitality. Support for parishes (with buildings, admin, etc) to release capacity. Workplans developed for each strategic programme.
The resources we require for our strategic programmes are not in place or not sustainable.	Active management of investment portfolio. Collaborative deanery share setting process. Dedicated Parish Share officer with early follow up of any potential issues. Capacity increased by nationally funded roles. BSIG terms of reference and membership revised to act at Programme Board. Diocesan strategy aligned with national strategy and vision to enable funding bid to Strategic Mission and Ministry Investment Board.
We do not adequately plan, monitor or review our strategic programmes.	Steering and/or working groups for strategic programmes, with oversight and scrutiny from BSIG. Annual workplans for strategic programmes. Reporting templates and dashboards developed.
There is insufficient engagement with our vision and strategy across all stakeholders.	Stakeholder engagement with representatives from across the diocese, BCST and Bishop's Council. Reflective sessions undertaken with Bishop's Council and Diocesan Synod. Parish needs survey and annual Articles of Enquiry. Monthly communication focus on area of strategic work.
Our strategic programmes are negatively impacted by external factors.	Ongoing engagement with national Church of England and other partners. Documented agreements with external funders. Ongoing dialogue and relationship building with secular leaders.

1.3 ACHIEVEMENTS AND PERFORMANCE

Our achievements and performance are guided by our vision of *Restored Health, New Growth, and Renewed Relationships*, which launched in 2023 and continued into 2024. *Our Shared Future*, our strategic framework, matured into its second iteration this year, aligning all our efforts with this vision. It enabled the DBF to be more intentional in both the support we offer and the new activities we undertake. While ongoing review and improvement are inherent to our organisation, we are pleased to document our achievements throughout 2024.

Restored Health

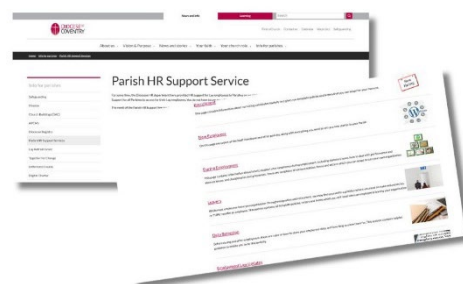
Healthy Churches

Building and Governance Support for Parishes

In 2024, the DBF continued to strengthen and support the health of our churches. Faculty applications were processed efficiently, and parishes received regular guidance on Annual Parochial Church Meetings (APCMs) and the submission of parish information. A new Parish Structures and Governance Adviser role was introduced to help parishes assess governance arrangements, ensure compliance with current legislation, and engage more effectively with local council plans.

Parish Support Services

The diocese launched a dedicated HR support service for parishes, with more than 30 parishes engaging throughout the year. Training and resources were also made available for churchwardens, treasurers, secretaries, and PCCs through group sessions and tailored support. A monthly email bulletin for church officers was introduced to facilitate information sharing and support.



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TRUSTEES' AND DIRECTORS' REPORT - for the year ended 31 December 2024

Church Building Strategy Developments

The *Volunteer Innovation Project* report was received and will significantly contribute to the ongoing development of a diocesan Church Building Strategy. This initiative will reimagine our buildings and reduce the burden of maintenance and management on clergy. Funding was secured from the Church Commissioners for the *Buildings for Mission Fund* and the Church Building Support Officer role, which has been successfully filled. A Major Projects Officer role is also being developed, subject to further external funding. Additional success was celebrated with the diocese's acceptance into the National Lottery Heritage Fund's churchyard biodiversity project, in partnership with Warwickshire Wildlife Trust and Caring for God's Acre.

Grants totalling £89,000 were allocated to parishes via the Church Improvement Fund, which included Net Zero and quick win projects. The Diocesan Healthy Churches Enabler supported 60 churches and nearly 70% of clergy in 2024, focusing on spirituality, growth, and church health. Resources and articles were shared through diocesan communication platforms, alongside the facilitation of a comprehensive and enriching prayer diary.

Healthy Communities



Churches as a Positive Presence

The Studley Dementia Café introduced a new initiative, *Sing for Fun*. Celia Spiers, Anna Chaplain, writes:

"Our visitors have really enjoyed the musical entertainment we've had over the past year. So much so that since October, a second dementia café date has been added each month just to sing. Singing has such a positive effect on our health and wellbeing, and it is often surprising how we remember the songs from our past."

Over 50 Community Projects Funded

Grants totalling £163,000 were awarded to over 50 projects in 2024, enabling various community improvement activities. £93,000 was allocated from the Diocesan Mission Fund to parishes, including funding for *Simply Play* at St Peter's, Kineton—a toddler soft play group that had 36 children and parents attending regularly in June. An additional £39,000 was directed to support our lowest-income communities.



Governance and Grants reviews and Refreshed Committee Structure

A review of the diocesan grants process was completed in 2024, with Bishop's Council approving recommendations for implementation in 2025 to improve efficiency and clarity. Other areas of work included the triennial elections to Diocesan Synod and Bishop's Council, a new induction programme and governance handbook, as well as the introduction of skills and diversity surveys for Bishop's Council. A refreshed committee structure was approved and will be implemented throughout 2025.



Major Community Transformation Projects

Phase II of the Saints Nuneaton project—multi-million pound renovation of a former dance hall for community use—began in 2024, with completion expected in March 2025. Working alongside our long-standing partner, Together for Change, further Saints projects are being scoped at two additional locations within the diocese.

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Healthy People

Wellbeing Awareness and Resourcing

We opened the year by focusing on *Healthy People*, sharing articles and resources that highlighted clergy hobbies and diocesan staff practices that cultivate joy. Wellbeing is now embedded in diocesan language and priorities, evidenced by the expanding range of CMD and lay training, and the consistent inclusion of wellbeing-focused reflection in our gatherings.



Improved Clergy Housing Support

The diocesan property team procured a new housing management system for implementation in 2025, aimed at improving communication and clergy support. In 2024, the team conducted 17 interregnum inspections and completed 29 quinquennial works.

Safeguarding Support Strengthened

The diocesan Safeguarding Team successfully filled all vacant roles, enabling full support for safe ministry and reinforcing our commitment to making churches safe spaces for everyone.

New Growth

In 2024, the diocese built upon existing work as several strategic growth projects matured and began bearing significant fruit. In areas where concentrated resources have been applied, we are seeing measurable impact.

In autumn, our Archdeacon Missioner and Evangelism Enabler toured the diocese with *Talking Jesus* sessions, inspiring and equipping people to share their faith. Work also continued on refining and communicating the growth strategy and missional design. These efforts will contribute to a refreshed diocesan strategy expected in 2025 with the arrival of a new diocesan bishop.

Growing New Worshipping Communities



A Future for Rural Church

In the autumn, a Rural Conference was hosted at the rural mission hub in Alcester. Over 50 delegates gathered to explore the future of rural churches, engage with guest speakers, and celebrate the creativity and dedication evident across the diocese.

New Worshipping Community from Community Support

At St Francis, Radford, a new worshipping community emerged from the long-standing *St Francis Employability* initiative. This year, optional elements of worship were added to their support services, leading to the formation of an active New Worshipping Community. This development reflects the fresh thinking and multifaceted approaches guiding our goal of establishing 150 new worshipping communities.

Greenhouse and *Myriad* learning communities were established in 2024 to support clergy and lay leaders in developing new worshipping communities. Over 45 individuals have participated, with 17 communities now active. Around 30 new worshipping communities were reported in 2024. One example is St Mary Magdalene with Risen Christ, Wyken - an Urban Plant Project - that launched a successful monthly *Messy Church*.

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Children, Families, and Young People

Lasting Impact from Alive 2023

The *World Changers* legacy from Alive 2023 continued in 2024, with many groups forming across schools. At St John's School, Allesley, around 30 children regularly attend to learn more about Jesus and worship God.



Increased Church Engagement in Schools

A revised RE syllabus was rolled out in September across our Church of England and community schools, increasing opportunities for church engagement with the new syllabus encouraging contributions from those with a Christian worldview.



Partnerships Enabling Youth Outreach

St Peter's, Wellesbourne, saw significant growth in its children and families' ministry, expanding from four to fourteen children who are "really growing in faith." Over 350 families attended Christmas events. The *Prayer and Pizza* initiative, in partnership with *Thrive* and with pizzas supplied by the Mothers' Union, was one of several successful activities.

A Growing Faith Enabler was appointed and has been signposting training and resources, and built a network of around 80 children, family, and youth workers. This role has also strengthened ecumenical partnerships, notably through regular *Youth City* praise and prayer events involving hundreds of young people in leadership and participation.

Growing Leaders

Expansion of Lay Training

With five new Pathways now established after their launch in Autumn 2023, engagement levels have been encouragingly high with over 300 people attending at least one of the 14 learning courses or 29 individual training sessions. These sessions offered biblical learning and practical training across a range of ministry areas to strengthen and equip our lay leadership in the diocese. Alongside this over 40 lay leaders are committed to a Pathway and 18 Pathways were completed.

Celebrating Lay and Ordained Ministry

In September a Celebration of Lay Ministry service took place at Coventry Cathedral. The service included the licensing of Readers, giving PTO (Permission to Officiate) licenses to those currently serving as Readers, recognising those who had completed Pathways, and celebrating lay people who had given notable services to their churches over the past year. In the month prior to the service, churches were invited to nominate lay people from their congregations who had made significant contributions and during the service, those nominated were called out by name and honoured. Three people have also been recommended for licensing as Readers.



Leadership Development

St Mark's Academy continues to support the development of ministry leaders and mission apprentices. All 16 students who enrolled in September 2023 (including four transfers from Gas Street Church Academy, Birmingham) graduated successfully in 2024. Seventeen students are currently enrolled for 2025, including nine Mission Apprentices placed in Urban Plant churches. In the autumn term, 88% of Year 1 respondents reported a growing sense of purpose, and 100% stated they had

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improved in self-leadership.

Twelve priests and eight deacons were ordained in June. Fifteen individuals were recommended for ordination training, with another 15 invited to explore vocation discernment.

Renewed Relationships

Renewing Our Relationship with Each Other

Conflict Transformation Group

In 2024, the diocesan Conflict Transformation Group (CTG) was established—a team of lay and clergy volunteers supporting parishes and communities experiencing conflict. Seventeen members completed their core formation, with a third cohort to be trained in 2025.



Diocesan Digest Introduced

The diocese now reaches over 15,000 people across seven communication platforms. In response to early 2024 feedback, the *Diocesan Digest*—a one-page printed bulletin—was introduced to ensure non-digital access to diocesan news and opportunities, response to the digest has been positive and it is now seen on many church notice boards.

We celebrated the 30th anniversary of women's ordination with a conversation between Bishop Ruth and Dean John, followed by a special service at Coventry Cathedral.

Unconscious bias training was delivered to clergy, Bishop's Council members, and diocesan staff. In the autumn, four UKME individuals shared their experiences of the Church of England as part of our ongoing exploration of cultural diversity in the church.

Renewing Our Relationship with Generosity

Parish Share Review

The Parish Share Working Group was formed in 2024 to undertake a significant review of our current parish share processes and communications. Comprised of clergy, area deans, parish treasurers, and DBF staff, and chaired by Steve Coomber, the group prepared proposals for Bishop's Council, including revised approaches to share during vacancies and a 'jubilee' type offer for long term unpaid historic commitments. Work will continue in 2025.

Digital Giving Rollout

Following the appointment of a Digital Giving Project Leader in February, 38 parishes benefited from the national CofE digital giving device rollout. Initial reports have shown a positive impact with an increase in giving recorded in the majority of participating parishes. In October, the project leader transitioned into the broader role of Diocesan Stewardship Advisor, while continuing to oversee the Digital Giving Project through June 2025.



Finance Leadership Appointment

In September, the DBF welcomed its first permanent Director of Finance in 2.5 years—a major milestone. This has enabled renewed focus on long-term financial planning and brought stable leadership to the finance department.

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Renewing Our Relationship with the Environment

Awareness and Courses Made Accessible

In March, a one-day Carbon Literacy training course was delivered to Deanery Environmental Representatives and Net Zero Steering Group members. The CofE Environment Team also developed an introductory course, *Carbon Confidence in an Hour*. Six trainers were certified, and the course is now being delivered across the diocese, with more sessions planned for 2025.



PV installations, and quick wins such as LED lighting, secondary glazing, and insulation. One successful grant was withdrawn after planning consent was denied for a solar PV installation.

Funds Made Available

Over £200,000 in grant funding was made available to help churches reduce emissions. Two *Net Zero Quick Wins* funds were launched following a £49,000 mid-year pledge from the CofE Environment Programme. Approximately £80,000 in grants was allocated and over £100,000 disbursed, supporting air-source heat pumps, two proposed solar

Net Zero pilot work began on two clergy properties, with funding secured for a third. A podcast series, *Zero Interest*, was launched in spring featuring stakeholders from across the diocese—including young people from our schools—speaking on faith and environmental responsibility. Five episodes have been released with over 300 total listens.



Internal Developments

Alongside our strategic efforts, DBF and TFC staff worked diligently to support parish mission and ministry. New HR software was launched, policies on disability and neurodiversity were updated, and the staff handbook was revised. A staff wellbeing survey informed an away day focused on 'working together and appreciating differences', reinforcing our value of collaboration.

Other highlights included the successful announcement of the new diocesan bishop



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TRUSTEES' AND DIRECTORS' REPORT - for the year ended 31 December 2024

1.4 SUMMARY OF FINANCIAL PERFORMANCE

The financial result for 2024 was a deficit before investment gains of £1.2m (2023: deficit £1.3m). This was offset by investment revaluations gains of £2.2m (2023: gain of £3.6m) and also a surplus on the sale of investment assets of £4.7m leading to an overall increase in total funds for the year of £5.7m (2023: £2.3m). Total funds at the end of the year were £102.1m (2023: £96.4m).

The policy of realising amounts from unapplied total return continued this year at a value of £2.4 million (2023 £2.8m). The release is made by way of a transfer from Endowment Funds to Restricted Funds and since 2020 the total value of the release of historic unapplied total return is £10.6m.

Income during the year was £11m (£10.3m in 2023). Parish share income has remained relatively static at £5.2m (£5.1m in 2023) and this is also true of the overall total receipts from Church Commissioners and other grants and donations. These movements are detailed in note 4.

Total expenditure in 2024 was £12.2m, an increase of £0.5m compared to expenditure of £11.7m in 2023 as detailed in Note 5.

The cost of mission and ministry increased by 9% to £7.7m (2023: £7.1m) with higher expenditure on clergy housing costs of £1.9m. Curate stipend costs also went up to £1.1m, the curates received a 7% increase in stipends during the period. Costs in support of mission and ministry (Note 5c), have remained overall static compared to prior year (2023: £3m), however there has been some adjustment in allocations within the cost categorisation of this note, to reflect the actual nature of the Urban Plant costs, hence grants have gone up considerably and staff costs in this category have subsequently been reduced. More details of grants awarded can be found in Note 7.

The value of Designated Funds has also reduced to £16.3m (2023: £17.2m). Restricted Funds at the end of the year amounted to £7.1m (2023: £6.1m). This year we received grants from the Church Commissioners including for Lowest Income Community (LINC) funding and in the unrestricted fund income for Curate Stipend funding. Due to a reconciliation with the Church Commissioners along with a change in strategy, with regards to the how Ordinands Theological College fees are paid, there was a repayment back to the Church Commissioners for the Ordination Training Block Grants, received in prior years.

Grants were also received for the Diocesan Investment Programme, Urban Plant and Net Zero. More information is set out in Note 16.

The Endowment Funds (Note 16 to the Financial Statements) were valued at £76.1m at the end of the year (2023: £70.9m). The main movements were investment income of £2.2m (2023: £2.4m) and £4.7m realisable gain through the Glebe investment property portfolio mainly due to the disposal of land at Bilton Glebe. There was also an unrealisable gain on the property portfolio of £1.3m (prior year gain 2023: £0.3m).

There has been a transfer from the Endowment Funds to the Restricted Funds which is comprised of two elements, the total return for the year on the investment portfolio of £2.2m (2023 £2.3m) and also the release of the historic unapplied total return of £2.4m (2023 £2.8m). In total a release of £4.6m of Endowment Funds (2023: £5.1m) to the Restricted Funds. Note 18 explains the full impact of total return on these accounts.

Principal Funding Sources

The principal sources of funding in 2024 came from Parish Share £5.2m, 47% (2023: £5.1m, 49%), investment income of £2.4m, 22% (2023: £2.6m, 25%), from Church Commissioners £0.8m 8%, (2023: £1m, 10%) and £2.6m 24% from other sources (2023: £1.6m 16%). Other sources of income include the surplus on the sale of two parsonages (£906k), parochial fees from weddings and funerals,

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rental income from the letting of houses whilst not occupied by clergy, restricted income from The King Henry VIII Endowed Trust (used to meet costs in the Warwick area) and various other grants and donations.

Parish Share

Total Parish Share income received was £5.2m (2023: £5.1m). This includes amounts received that related to parish share allocated for previous years of £0.16m, but excluded amounts received after the 31 December 2024 cut-off date. We are working with both the Deaneries and Parishes to improve communication and encourage positive dialogue where there are difficulties, in meeting obligations. Parish Share relief of £0.6m was given during the year. This reduced both the asset and liability in the Balance Sheet, therefore there was no direct impact on the SOFA. This was approved at Bishops Council on 3rd March 2025, the relief was granted against any outstanding Parish Share contribution older than 31st December 2021.

The Diocese has continued to promote the Parish Giving Scheme, a Direct Debit scheme that encourages individual church members to review their giving regularly and also provides an efficient way for parishes to receive Gift Aid on gifts received from HMRC.

Investment Income

Total investment income was £2.4m (2023: £2.6m) and derived mainly from equities and Glebe assets. After allowing for Glebe management fees and other Glebe operating costs, net investment income was £2.1m (2023: £2.2m).

In 2024 total return performance (gross) for investment funds in which the DBF is invested was as follows:

CCLA's CBF Church of England Investment Fund: 5.49% (2023: +13.23%)

This is against a benchmark of long-term total return of inflation (CPI) plus 5 % per annum before costs. In 2024, this benchmark was +9%.

As at 31st December 2024, the DBF held £1,735,234 in the CBF Deposit Fund.

Investment objectives and investments held

The DBF's investment objective, with respect to amounts available for investment, is to safeguard capital values in real terms over the long term and to provide real growth in net income, whilst complying with the Church of England Ethical Investment Policy.

Investments are principally held in Glebe properties and in investment funds. The investment funds are managed by CCLA Investment Management Limited and are diversified funds for charities, invested mainly in equities, but also in fixed interest securities, property and other assets. There are no holdings in fossil fuels. Glebe investment properties comprise agricultural, commercial and residential land and buildings.

The total value of investments shown on the Balance Sheet at 31 December 2024 was £73.5m (2023: £72.4m) of which £69.1m (2023: £64.7m) was permanent endowment (Note 12 and Note 16).

Following the approval of a Total Return approach to investments in the Diocesan Stipends Fund, and a further subsequent discussion at Bishop's Council, the trustees agreed that historic unapplied return of £2.4m (2023: £2.8m), plus the income investment returns that would ordinarily be recognised in the 2024 accounts if total return had not been adopted, would be recognised as income in the 2024 accounts.

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Stipendiary clergy headcount

The full time equivalent (FTE) number of office holders in the Diocese who were stipendiary clergy in 2024 was 122 (2023: 111), which includes two Archdeacons & also includes curates. The average number of curates was 28 (2023: 28) reflecting the diocese's commitment to increase the intake of clergy over the coming years.

House for Duty Clergy, Self-Supporting Ministry and volunteers

Whilst acknowledging that many of our self-supporting ministers are office holders and living in their own houses, there are office holders that the DBF provide with houses. In 2024 there were 12 house of duty posts (2023:12).

The activities of the Church of England across the Diocese of Coventry depend hugely on the generosity of our retired clergy, self-supporting ministers, Readers and lay ministers. The value of this time, to the Diocese as a whole and in particular to the DBF, cannot be quantified and recognised in the financial statements. The DBF is grateful to all those whose contribution is essential to the mission of the whole Diocese.

Pension schemes

All stipendiary clergy in the Diocese, some clergy employed in central diocesan posts and some licensed lay workers are members of the defined benefit Church of England clergy pension scheme. The contribution to this scheme in 2024 was £6,967 (2023: £7,127) per full time stipendiary clergy member. If they are not members of the clergy pension scheme, the DBF's permanent staff are members of the Church Workers Pension Fund. Further details of both Schemes are in note 2 to the Financial Statements.

Reserves policy and the General Fund position at the year end

The funds held by the DBF at 31 December 2024 comprise of the following:

Endowment Funds totalling £76.1m. This amount includes expendable endowment of £7.1m relating to the Parsonages Houses Fund and permanent endowments of £69.1m. The permanent endowment includes £68.2m relating to the Diocesan Stipends Fund of which £43m is unapplied total return. The Trustees can apply the unapplied total return to the Diocesan Stipends Fund Income Account, to use for the restricted purpose of payment of clergy stipends, houses and the management and maintenance of Glebe property.

Restricted Funds totalling £7.1m to be spent in accordance with the donor's wishes.

Unrestricted funds of £18.8m, which includes £16.3m of designated funds that relate substantially to Operational properties and are therefore illiquid.

The objective of the DBF's reserves policy is to ensure adequate working capital resources. During 2024, the policy was to ensure the General Fund remained within a range equivalent to two and a half to three and a half months' worth of operating costs, as approved by Diocesan Synod for the ensuing year. This policy has been reviewed and has been left unchanged.

Diocesan Synod approved a maximum sum to be spent from operating funds in 2025 £14.2m (2024 £12.5m). The balance in the General Fund at 31 December 2024 was £2.6m which represents approximately 2.2 months of planned spending and is therefore marginally below the bottom of the policy target range.

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1.5 PLANS FOR THE FUTURE and FUTURE COMMITMENTS

Considerations

Throughout 2024 and into 2025, the Diocese of Coventry has been in an episcopal vacancy. In November, we were delighted to announce the appointment of the Rt Revd Sophie Jelley as the new Diocesan Bishop. As a result, there has been acknowledgement of a transitional period when considering the long-term plans and commitments for the DBF.

Continued Commitments

With those considerations noted, much good work will continue throughout 2025 as we outwork the mission purpose to *Worship God, Make New Disciples and Transform Communities*.

Firstly, we remain committed to fulfilling our core work and activities listed below, as outlined in section 1.1, with shared examples provided within section 1.3.

- The provision of clergy and licensed lay ministers (Readers) engaged in the parochial ministry
- The provision and maintenance of appropriate housing for clergy
- Training for candidates of ministry, lay ministers (Readers), other lay leaders and for curates
- The employment of clergy and lay staff in diocesan-wide enabling ministries such as ministry development, mission, discipleship, and social responsibility
- The provision of support services to parishes
- The employment of staff to manage the administration of the CDBF's work, including Finance, Property, HR, Communications, Safeguarding, and Strategic Programme Management
- The management and investment of glebe and assets held for the benefit of the Diocese
- 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.
- Promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Secondly, we have identified the following priorities within the *Our Shared Future* strategic framework, which has guided our 2025 work planning:

- Strategy for spiritual and numerical growth, including growing younger
- Supporting the health of our churches
- Being a reconciling presence in the heart of our community
- Meeting the social, spiritual and practical needs of those we serve
- Being responsible stewards of God's creation
- Nurturing the wellbeing of everyone who serves the work of the diocese
- Enabling and equipping both new and current leaders

An Opportunity

This period of vacancy has provided a valuable opportunity to reflect on our current vision and consider the changes we hope to see as we imagine the diocese in the future. It has also been a time of learning and evaluation regarding our existing strategic focus on *spiritual and numerical growth*. Significant work is underway to deepen our understanding of the missional challenges the diocese faces, and to thoroughly explore their root causes.

We anticipate that this preparatory work will be completed in time for the arrival of Bishop Sophie and the commencement of her public ministry in June 2025. We trust that this work, along with the progress made to date, will help inform the Bishop's vision for the diocese and our future commitments.

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SECTION 2: GOVERNANCE REPORT

2.1 COMPANY LEGAL STATUS

The DBF was incorporated on 12 October 1936 as a charitable company (No. 319482) limited by membership guarantees and its governing documents are the Memorandum and Articles of Association. The DBF is registered with the Charity Commission (No. 247828). The DBF has also been designated as the Parsonages Board for the Diocese of Coventry under the Repair of Benefice Buildings Measure 1972.

2.2 DIOCESAN SYNOD AND DBF MEMBERSHIP

The Diocese is governed in accordance with the Synodical Government Measure 1969, under which its governing body is the Diocesan Synod. Every Diocesan Synod member is a member of the DBF for company law purposes and has a personal liability limited to £1 under their guarantee as company members in the event of it being wound up.

The Diocesan Synod is made up of three Houses:-

House of Bishops: the Acting Bishop of Coventry (President of the Diocesan Synod) and the Bishop of Warwick (post currently vacant).

House of Clergy: 56 members, including the Chair of the House and six ex-officio members (the Dean of Coventry, two Archdeacons, and the three diocesan clergy General Synod members). One member was nominated by the Bishop of Coventry (chaplain to Warwick University). The remainder were elected by the houses of clergy of Deanery Synods during June 2024, for a three-year term beginning 1 August 2024.

House of Laity: 51 members, including the Chair of the House and six ex-officio members (the Diocesan Chancellor, the Chair of the Board of Finance, the Chair of the Board of Education and the three diocesan lay General Synod members). One member was nominated by the Bishop of Coventry (President of the Mothers' Union). The remainder were elected by the houses of laity of Deanery Synods during June 2024, for a three-year term beginning 1 August 2024.

Elected and nominated members of the Diocesan Synod hold office for a term of three years. The current term of office runs from 1 August 2024 to 31 July 2027.

The Diocesan Synod normally meets three times a year and its functions are to:

- Consider matters affecting the Church of England in the Diocese
- Act as a forum for debate of Christian opinion on matters of religious or public interest
- Advise the Bishop where requested
- Deal with matters referred by General Synod
- Consider the annual accounts of the DBF
- Consider and approve the DBF's annual budget

Diocesan Synod governs itself through Standing Orders, which were approved by Diocesan Synod on 19 July 2000, and amended on 14 March 2009. Through the Standing Orders, many of Diocesan Synod's responsibilities have been delegated to its Standing Committee, the Bishop's Council.

2.3 BISHOP'S COUNCIL AND THE TRUSTEES AND DIRECTORS OF THE DBF

The Bishop's Council is the senior committee of the Diocese. Under the Standing Orders of the Diocesan Synod its members have a number of concurrent roles. They are the members of the Standing Committee of Diocesan Synod, the trustees of the Charity for the purposes of charity law, the directors of the DBF for the purposes of company law, and the members of the Diocesan Mission and Pastoral Committee.

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As the Standing Committee of the Diocesan Synod, the Bishop's Council is responsible for:

- Planning the business of the Synod and circulating the agenda and supporting papers for its sessions – this function is delegated to the Business Committee.
- Initiating proposals for action by the Synod and advising it on matters of policy.
- Advising the President (the Diocesan Bishop) on any matter.
- Transacting the business of the Synod when not in session.
- Appoints members of committees and nominating individuals for election to committees.
- Carrying out such functions as the Synod may delegate to it.

As the Diocesan Mission and Pastoral Committee (DMPC) and in consultation with the eleven Deanery Mission and Pastoral Committees, the Bishop's Council:

- Advises the Bishop of Coventry on the deployment of clergy within the Diocese.
- Considers and authorises pastoral schemes.

As the Trustees and Directors of the DBF, the Bishop's Council:

- Takes responsibility for the activities of the DBF, including financial accountability as set out below.
- Manages funds and property held centrally in the Diocese.
- Prepares an annual budget for consideration and approval by Diocesan Synod, with estimates of expenditure and the income needed to finance that expenditure.
- Monitors income and expenditure against estimates in the budget approved by Diocesan Synod.
- Advises the Diocesan Synod on financial aspects of its policies and on any other matters referred to it.
- Oversees the preparation of annual financial statements as set out below, and approves such statements once prepared.

Financial accountability responsibilities of Bishop's Council members as trustees and directors

The trustees of the DBF, who are also the directors of the DBF for the purposes of company law, are responsible for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Membership of the Bishop's Council

The membership of the Bishop's Council is comprised of a maximum of 32 members as follows:

- 8 ex officio members
- 15 members elected by the Diocesan Synod (seven clergy and eight lay, in both cases with a minimum of two from each archdeaconry)
- up to 6 nominated members (three may be nominated by the Bishop of Coventry and one may be nominated by each of the Diocesan Advisory Committee, the Grants Committee and the Diocesan Board of Education)
- up to 3 members co-opted by the Bishop's Council.

The Chair of the DBF, one of the ex officio members of Bishop's Council, is nominated by the Bishop of Coventry and appointed by Diocesan Synod. During 2024, the Bishop's Council met four times as Bishop's Council and board of trustees and directors. The term of office of the members of Bishop's Council (excluding ex officio members) lasts for three years. Their term will end in 2027, upon the election of their successors.

During the year the members of Bishop's Council were as follows:

EX-OFFICIO

Acting President	The Rt Revd Ruth Worsley – <i>until 31 Dec 2024</i>
Bishop of Warwick	<i>Currently vacant</i>
<i>Bishop of Loughborough</i>	<i>The Rt Revd Saju Muthalaly – until 30 Sept 2024</i>
Acting Archdeacon Pastor	The Revd Tim Cockell
Archdeacon Missioner	The Ven Barry Dugmore
Dean of Coventry	The Very Revd John Witcombe
Chair of the House of Clergy	The Revd Canon Claire McArthur
Chair of the House of Laity	Phil Sowards
Chair of the DBF	Steve Coomber

NOMINATED MEMBERS

Nominated by DBE	The Revd April Gold
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BISHOP'S NOMINEES

The Revd Dr Anita Morgan – *until 31 Sept 2024*
The Revd Esther Peers – *until 31 Sept 2024*
Emili Lowery – *until 31 Sept 2024*

ELECTED CLERGY

Until 31 Sept 2024
The Revd Andy Batchelor
The Revd Kay Dyer
The Revd Alison Evans
The Revd Barry Jackson
The Revd Jonathan Jee
The Revd Stephen Parker
The Revd David Poultney

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From 1 Oct 2024

The Revd Daniel Corlett
The Revd Canon Richard Hibbert
The Revd Barry Jackson
The Revd Canon Jonathan Jee
The Revd Dr Anita Morgan
The Revd Gail Phillip
The Revd Canon Graeme Pringle

ELECTED LAITY

Until 31 Sept 2024

Chris Baker
John Elton
Jo King
Ogechi Ngemegwai
Sue Williams
Sarah Mount
Tim Pollard
Marion MacLellan

From 1 Oct 2024

Canon Jo King
Tim Pollard
Chris Powell
David Rake
Anthony Rich
Andrew Rolls
Alicia Sampson
Sue Williams

CO-OPTED MEMBERS

No co-opted members

2.4 COMMITTEE STRUCTURE

There are a number of Diocesan committees which advise the DBF:

- **Business Committee** which considers the content of the agendas for Bishop's Council and the Diocesan Synod.
- **Audit and Risk Committee** which considers the appointment of the auditor, the audit fee, the nature and scope of the audit, reviews the annual financial statements prior to submission to Bishop's Council and keeps under review the systems of internal control and risk management.
- **Diocesan Finance Group (DFG)** which monitors the finances of the DBF and advises Bishop's Council on financial matters, in particular the application of the Deanery Share system and matters relating to the Church Fabric Fund.
 - **Investment Sub-Committee (ISC)** which oversees investment strategy and policy.
- **Conditions of Employment Group (COEG)** which deals with the terms and conditions of employment, including remuneration, of staff employed by the DBF and annual increases to clergy stipends in line with increases in the cost of living, except the Diocesan Secretary (whose terms and conditions of employment, including remuneration, are reviewed by the Chair of the DBF and the Diocesan Bishop).
- **Diocesan Advisory Committee for the Care of Churches (DAC)** which advises on the repair and improvement of places of worship, their contents and churchyards, with a view to the furtherance of the Church's mission and the protection of the nation's heritage.
- **Diocesan Environment Group (DEG)** which encourages the Diocese in its vocation to care for

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the earth.

- **Diocesan Mission Fund Committee (DMFC)** which considers matters relating to Diocesan Mission Fund, Church Improvement Fund and Offa House Spirituality Capital grants, making decisions on grants of up to £10,000 and recommendations to Bishop's Council for grants above this level.
- **Glebe Committee** which oversees the management of Diocesan Glebe investments, under the powers laid down in a scheme under the Church Property Measure 2018.
- **Parsonages Committee** which considers policy, repairs and improvements in relation to parsonage houses, under powers laid down in a scheme under the Repair of Benefice Buildings Measure 1972.

In June 2024, Bishop's Council approved a revised committee structure which will be implemented during 2025. Further details of the governance review process are outlined in section 2.7

2.5 DIOCESAN SECRETARY AND STAFF

The Diocesan Secretary serves as the Secretary to Diocesan Synod and Bishop's Council and as Chief Executive Officer and Company Secretary of the DBF. The Diocesan Secretary and her staff carry out the day-to-day work of the DBF. They consult regularly with the Chair of the DBF and the various diocesan committees. Whilst senior staff have job titles incorporating the word 'Director' they are not directors of the company for the purposes of company law or trustees of the charity for the purposes of charity law. For information relating to staff headcount and costs, see note 10 to the financial statements. Jacqueline Ladds has been Diocesan Secretary and CEO since her appointment on 23 May 2022.

In 2024 there was one staff member employed under joint working arrangements by the Leicester Diocesan Board of Finance (company registered number 227087; registered charity number 249100). This arrangement is regularly reviewed and continues to be an effective method generating economies of scale without detriment to the service provided.

2.6 RELATED PARTIES

Coventry Diocesan Trustees (Registered)

The Coventry Diocesan Trustees (Registered), registered charity number 249165, is the Diocesan Authority under the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964. The Trust is the custodian trustee holding property and funds on behalf of PCCs and the DBF.

Coventry Diocesan Board of Education

Coventry Diocesan Board of Education (the DBE – a company registered in England and Wales no. 3663851 and a registered charity no. 1091145) is a statutory body established under the Diocesan Boards of Education Measure 1991, responsible to Diocesan Synod. Its functions under this measure principally relate to the promotion or assistance in the promotion of education in the Diocese, which is consistent with the faith and practice of the Church of England and therefore consistent with the objectives of the DBF.

Together For Change Coventry & Warwickshire

Together For Change Coventry & Warwickshire (TFC) is a company registered in England and Wales no. 08763866 incorporated on 6th November 2013 and has a registered charity no. 1160133. TFC works in partnerships with the DBF, churches, charities & local agencies to develop projects that will bring positive change to their communities.

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The Cathedral Church of St. Michael Coventry

Coventry Cathedral is a registered charity no. 1204257. In 2017, a Church of England working group reviewed and made recommendations on the governance and regulation of all Church of England cathedrals. These recommendations formed the basis of the new Cathedrals Measure 2021 which was passed by the General Synod in 2018 and received Royal Assent in 2021. Under the Cathedrals Measure 2021, all Church of England cathedrals are required to become charities registered with the Charity Commission. DBF works closely with the Coventry Cathedral to promote reconciliation & worship in the diocese, which is consistent with the faith & practice of the Church of England & therefore consistent with the objectives of the DBF.

2.7 OTHER GOVERNANCE MATTERS

Charity Governance Code and Governance Review

During 2024 the DBF completed the governance review project which began in 2023. The aim of the review was to ensure that the organisation has an effective and efficient governance framework in place, in order to continue to fulfil our statutory obligations and to enable us to work towards our identified priorities. The review drew upon the Charity Governance Code as a tool to support continuous improvement. The Code, as well as Charity Commission guidance, are reflected and referenced within the Governance Handbook which has been created as part of the induction and development programme for Trustees, committee members and committee chairs. Principles and recommended practice from the Code have been embedded throughout the governance framework, which is subject to ongoing monitoring and review.

In 2024, the Trustees approved the recommendations of the governance review working group, which included a refresh of the committee structure to remove duplication, increase effective oversight and update membership requirements. The revised committee structure will be implemented during 2025.

Risk management

The trustees confirm that the risks to which the DBF is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures to manage those and other identified risks have been established and reviewed. The trustees review the risk registers at least annually and receive updates at each trustee meeting. The trustees delegate to the DBF leadership team day to day management of the risks the DBF is exposed to. In addition, the Audit & Risk Committee review the risk management processes and the risk register regularly, and reports to the trustees on whether it is satisfied with its findings. Recommendations are made as a result of those findings.

The principal risks identified are shown in Section 1.2 of this report.

Valuation of properties in the financial statements

Investment properties are stated in the balance sheet at fair value. All non-investment properties - parsonage houses, operational properties, houses for clergy held in Glebe and the diocesan offices - are freehold properties and are stated in the balance sheet at cost. In the opinion of the trustees the fair value of these non-investment properties is substantially in excess of cost, but the amount of this excess is not economically quantifiable.

Auditor

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees and directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

A resolution to reappoint Crowe LLP as auditor to the company and to authorise the Board of Directors to fix the auditor's remuneration will be proposed at the Annual General Meeting.

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2.8 REFERENCE AND ADMINISTRATIVE DETAILS

<i>Registered & Principal Office</i>	<i>Until 31 Dec 2024</i> Cathedral and Diocesan Offices, 1 Hill Top, Coventry, CV1 5AB <i>From 1 Jan 2025</i> Coventry Diocesan Board of Finance, 7 Priory Row, Coventry, CV1 5EX
<i>Telephone</i>	024 7652 1200
<i>Website</i>	www.coventry.anglican.org
<i>Company registration number</i>	319482 (England and Wales)
<i>Charity registration number</i>	247828 (England)
<i>Company Secretary</i>	Jacqueline Ladds
<i>Registrar and solicitors</i>	Jenny Dymond – Diocesan Registrar <i>until 5 June 2024</i> Geoffrey Cotterill – Deputy Diocesan Registrar <i>until 5 June 2024</i> , Diocesan Registrar <i>from 5 June 2024</i> Mary Allanson – Deputy Diocesan Registrar <i>from 5 June 2024</i> Rotherham & Co 8 & 9 The Quadrant, Coventry, CV1 2EG
<i>Auditor</i>	Crowe UK LLP Black Country House, Rounds Green Road, Oldbury, B69 2DG
<i>Bankers</i>	Bank of Scotland Pentland House, 8 Lochside Avenue, Edinburgh, EH12 9DJ
<i>Diocesan Surveyors</i>	Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Glebe Agent</i>	Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Insurers</i>	Ecclesiastical Insurance Office plc Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, GL3 4AW
<i>Investment Managers</i>	CCLA Investment Management Ltd One Angel Lane, London, EC4R 3AB

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT - for the year ended 31 December 2024

SECTION 3: DIRECTORS' AND TRUSTEES' REPORT APPROVAL

This Trustees' and Directors' Report, including both the Strategic Report and the Governance Report, is approved by the trustees, by whose authority it is signed as below.

A handwritten signature in black ink that reads "Steve Coomber". The signature is written in a cursive, slightly informal style.

Steve Coomber

Chair of Coventry Diocesan Board of Finance Limited

9 June 2025

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

Opinion

We have audited the financial statements of the Coventry Diocesan Board of Finance ('the charitable company') for the year ended 31 December 2025 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 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 2024 and of 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 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 trustee's 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic 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.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper accounting records have not been; or
- the 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 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019 and Church of England Measures. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

for fraud. The laws and regulations we considered in this context for the UK operations were safeguarding, health and safety, employment (including taxation) and GDPR.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within revenue recognition of parish offer and grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Helen Blundell LLB FCA FCIE DChA

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Rounds Green Road, Oldbury, West Midlands B69 2DG

13 August 2025

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2024

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Income and endowments from:							
Donations Parish Share	4a	5,142	-	20	-	5,162	5,112
Church Commissioners	4b	417	-	417	-	834	1,016
Other grants and donations	4c	206	-	770	-	976	784
Charges for charitable activities	4d	277	-	-	-	277	283
Other trading activities	4e	439	-	2	-	441	407
Investments income	4f	161	4	82	2,197	2,444	2,573
Total return allocated to income	18	-	-	2,197	(2,197)	-	-
Release of historic return	18	-	-	2,358	(2,358)	-	-
Surplus on sale of assets		-	-	906	-	906	151
Total		6,642	4	6,752	(2,358)	11,040	10,326
Expenditure on:							
Raising funds	5a	347	-	344	2	693	516
Charitable activities							
Mission and ministry	5b	2,576	257	4,875	-	7,708	7,064
Support for mission and ministry	5c	2,136	349	615	-	3,100	3,009
Contributions to Archbishop's	5d	546	-	-	-	546	682
Council							
Diocesan Board of Education	5e	177	-	1	-	178	232
Other	5f	-	-	-	-	-	149
Total		5,782	606	5,835	2	12,225	11,652
Net income before investment gains		860	(602)	917	(2,360)	(1,185)	(1,326)
Net gains on investments:							
Net gains on revaluation	12	49	3	31	2,080	2,163	3,613
Surplus of sale of investment assets		-	-	-	4,724	4,724	-
Net income		909	(599)	948	4,444	5,702	2,287
Transfers between funds	19	619	295	(97)	(817)	-	-
Net movement in funds		290	(894)	1,045	5,261	5,702	2,287
Reconciliation of funds							
Funds at 1 January	16	2,283	17,156	6,069	70,875	96,383	94,096
Net movement in funds		290	(894)	1,045	5,261	5,702	2,287
Funds at 31 December	16	2,573	16,262	7,114	76,136	102,085	96,383

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 2024

INCOME AND EXPENDITURE ACCOUNT

	2024 Total £000s	2023 Total £000s
Total income	8,843	7,969
Total expenditure	12,222	11,428
	(3,379)	(3,459)
Net gains on investments	6,887	3,613
Net income/(deficit) for the year	3,508	154
Transfer from endowment funds	4,555	5,092
Total Comprehensive Income	8,063	5,246

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.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

BALANCE SHEET for the year ended 31 December 2024

BALANCE SHEET

	Notes	2024 £000s	2023 £000s
FIXED ASSETS			
Tangible fixed assets	11	19,462	19,494
Fixed asset investments	12	73,512	72,438
		92,974	91,932
CURRENT ASSETS			
Debtors	13	10,225	2,440
Cash and cash equivalents		3,180	3,582
		13,405	6,022
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	14	(4,294)	(1,571)
NET CURRENT ASSETS		9,111	4,451
TOTAL ASSETS LESS CURRENT LIABILITIES		102,085	96,383
NET ASSETS	20	102,085	96,383
FUNDS			
Unrestricted funds:			
General Fund	16	2,573	2,283
Designated funds	16	16,262	17,156
		18,835	19,439
Restricted funds	16	7,114	6,069
Endowment funds	16	76,136	70,875
TOTAL FUNDS		102,085	96,383

The financial statements on pages 29-58 were approved by the Board of Directors and authorised for issue on and are signed on its behalf by:

Steve Coomber

Steve Coomber

Chair of Coventry Diocesan Board of Finance Limited
9 June 2025

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

CASH FLOW STATEMENT for the year ended 31 December 2024

CASH FLOW STATEMENT

	2024 £000s	2023 £000s
Cash flows from operating activities:		
Net cash generated by operating activities	(4,514)	(4,235)
Cash flows from investing activities:		
Investments	2,646	2,845
Land Options	10	-
Proceeds from sale of fixed asset properties	916	388
Purchase of fixed assets	(5)	(512)
Proceeds from sale of investments	546	-
Net cash used by investing activities	4,113	2,721
Change in cash and cash equivalents in the year	(401)	(1,514)
Cash and cash equivalents at 1 January	3,582	5,096
Cash and cash equivalents at 31 December	3,181	3,582

	2024 £000s	2023 £000s
Analysis of cash and cash equivalents at 31 December		
Cash in hand	1,399	840
Short term deposits (less than 3 months)	1,782	2,742
Total cash and cash equivalents	3,181	3,582

	2024 £000s	2023 £000s
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movements in funds for the year	5,702	2,287
(Gains)/Losses on investments	(2,163)	(3,613)
Investments Income	(2,444)	(2,573)
Surplus of sale of investment assets	(4,724)	-
Profit on sale of fixed assets	(906)	(151)
Depreciation of fixed assets	26	25
Decrease/(Increase) in debtors	(1,487)	136
Increase/(Decrease) in creditors	1,481	(346)
Net cash generated by operating activities	(4,514)	(4,235)

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

Basis of accounting

The DBF is a charitable company and a public benefit entity. Therefore, the financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (FRS 102), the Companies Act 2006 and the applicable UK accounting standard (FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland). The financial statements have been prepared under the historical cost convention except that fixed asset investments are included at fair value at the balance sheet date. After making enquiries the trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Going Concern

The Trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Income

Income is included in the Statement of Financial Activities when the charity is legally entitled to it, receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

Parish share income

Parish share income for the year, or for previous years, include amounts received up to the 31 December.

Income from parochial fees

Income from parochial fees is accounted for when received.

Grants (receivable)

Grant income is accounted for when the formal offer of funding is communicated in writing, any conditions related to the entitlement have been met, receipt is probable and the amount can be measured reliably.

Donations, legacies and similar income

Income from legacies is recognised when the DBF has been notified that there is a clear indication of the amount receivable. Donations and similar income are accounted for when received.

Investment income

Investment income is accounted for when receivable. Investment income from Common Investment Funds managed by CCLA Investment Managers Ltd is considered receivable when dividends are declared.

Deferred income

Income is recognised as deferred where the event or rental period to which the income relates occurs beyond the end of the financial period being reported on.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate similar costs under each category of the Statement of Financial Activities.

Grants (payable)

Grants payable, are accounted for either in full or in part, when authorised, when the award of the grant has been specifically communicated to the recipient or when paid if there is no communication to the recipient in advance, and when any condition attaching to the grant is outside the control of the DBF.

Support costs

These costs consist of indirect staff costs, office and IT costs and governance costs. They are allocated to categories of expenditure on the basis of the proportion of staff time spent on each area of activity.

Governance costs

The costs allocated to governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Operating leases

Payments under operating leases are charged against income as incurred.

Investment gains and losses

For investments that are not part of the Diocesan Stipends Fund Capital Account, realised gains or losses are recognised in the Statement of Financial Activities when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at the year end.

A total return approach has been adopted for the Diocesan Stipends Fund Capital Account. Part of the historic unapplied total return will be allocated to income in the year as determined by the Bishop's Council.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

Tangible fixed assets

Parsonage houses, operational properties and the diocesan offices

Parsonage houses, operational properties and the diocesan offices are held at cost or estimated cost. The cost of extensions which enhance the capital value of buildings is capitalised.

For parsonage houses, the legal title and right to beneficial occupation are vested in the incumbent, whereas the DBF is responsible for the maintenance and repair of such properties and can determine their subsequent use or sale. FRS 102 requires accounting treatments to follow the substance of arrangements rather than their strict legal form. Accordingly, parsonage houses are capitalised as tangible fixed assets.

Operational properties are houses owned by the DBF for occupation by stipendiary clergy and House for Duty priests.

The Diocesan Offices are at 7 Priory Row, Coventry, CV1 5EX.

Depreciation

Depreciation is not provided on land and buildings as any annual or accumulated depreciation would not be material. This is due to the long estimated remaining useful economic lives and because the estimated residual values are not materially less than their carrying values and the buildings are unlikely to suffer from obsolescence. Disposals of buildings occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying values. The DBF has a policy of regular inspection, repair and maintenance of buildings, charges for which are included in expenditure in the Statement of Financial Activities.

Depreciation of non-property fixed assets is charged at rates estimated to write off their cost less any residual value evenly over the expected useful lives that are as follows:

IT and Telecommunications Equipment	3 years
Computer Software	3 years
Office Furniture and Fittings	5 years

Individual items of office equipment and furniture with a purchase price of £5,000 or less are written off in the year in which the assets are acquired.

Financial instruments

Fixed asset investments

Land and buildings held under the Endowments and Glebe Measure 1976 ("Glebe properties") are included at fair value. Glebe properties which are fixed asset investments are comprised of commercial properties and agricultural properties. Agricultural properties are predominantly land but include some agricultural buildings and residential properties. Glebe properties also include houses for occupation by clergy that are treated as tangible fixed assets.

Unlisted shares in investment funds are included at fair value at the balance sheet date.

Current assets and liabilities

Debtors are measured at the transaction price less any impairment losses. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources. Creditors are measured at the transaction price less any amounts settled. For pension liabilities, see note 2.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with any qualifying institution repayable on demand without more than seven days' notice or penalty.

Pension Schemes – see note 2.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

Fund accounting

The *General Fund* is an unrestricted income fund which receives income available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted income funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes below.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes below.

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

2. Pension schemes' accounting policy and significant estimates and judgements

The DBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other two are for lay staff and are separate sections of the Church Workers Pension Fund – one a final salary scheme and the other a deferred annuity scheme. All three of these schemes are multi-employer defined benefit pension schemes for which the DBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. A valuation of each scheme, to determine future contribution levels, is carried out once every three years and the resulting report and recovery plan for any deficit is required to be completed within fifteen months of the valuation date. On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that formerly contracted-out schemes are required to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. In November 2020, the High Court handed down a further ruling concerning the equalisation of GMPs. This ruling requires Trustees to equalise transfer payments paid from schemes. This exercise will require a check on previous transfers paid and if appropriate pay a top-up transfer payment to the receiving scheme if the GMP element is deemed to be unequal.

Normally the Employer is required to reflect both the backdated and future costs of GMP equalisation arising from this judgment. However, since the DBF participate and are accounting as multi-employer defined benefit pension schemes this is not applicable. Any uplift in liability will be reflected in the financial statements once revised deficit recovery payment plans are issued.

Accounting policy

Where the scheme is in deficit and the DBF is required to make deficit recovery contributions, this obligation is recognised as a liability within creditors in the Balance Sheet. The amount recognised is the sum of the deficit recovery contributions payable, discounted to the net present value. The unwinding of the discount in each year, together with contributions required by the Pensions Board for the benefit in relation to pensionable service in the year, is recognised within expenditure in the Statement of Financial Activities. Changes in the pension liability due to changes in the discount rate used and due to inaccuracies and changes in the actuarial assumptions made by the Pensions Board are recognised as actuarial gains or losses in the Statement of Financial Activities.

The liability and movements in the liability are allocated to the Diocesan Stipends Fund Capital Account, an endowment fund held for investment return for the benefit of the Diocesan Stipends Fund Income Account which is expected to be sufficient to cover the DBF's future deficit recovery contributions. Deficit recovery contributions actually paid in the year are transferred from the Diocesan Stipends Fund Income Account to the Diocesan Stipends Fund Capital Account.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

Church of England Funded Pension Scheme (CEFPS)

Membership figures for reference

The membership figures that we hold as at December 2023 and December 2024 for Coventry DBF are set out in the table below. These are used as part of the Board's calculation of the deficit contributions in payment at each year-end, which in turn feed into the FRS102 calculations, so are provided here for reference.

	December 2024	December 2023
Number of members at this Responsible Body	130	128

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

Each participating Responsible Body in the Church of England Funded Pensions 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. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £874,000 in 2024 (2023: £872,000), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £0 (2023: £0).

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% pa;
- RPI inflation of 3.6% pa (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pa pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increases in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 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
31 December 2024	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.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there were no deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 and 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	2023
Balance sheet liability at 1 January	0	0
Deficit contribution paid	0	0
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	0
Balance sheet liability at 31 December	0	0

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

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

Church Workers Pension Fund (CWPF) – Defined Benefits Scheme

Coventry DBF participates in the Defined Benefits Scheme section of CWPF for lay staff, which is now closed to future accrual. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and
 - b. a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. There is one joint worker employed by Leicester Diocesan Board of Finance who is an active member of the Church Workers Pension Fund.

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

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

A valuation of DBS is carried out once every three years. At the most recent valuation at 31 December 2022 there was a surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

Since 31 December 2023, the Board has entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the CWPf.

The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2023 or 31 December 2024.

The movement in the provision is set out below:

	2024	2023
Balance sheet liability at 1 January	0	0
Deficit contribution paid	0	0
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability*(recognised in SoFA)	0	0
Balance sheet liability at 31 December	0	0

* 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	0.0%

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.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

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

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

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

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2025.

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

Significant accounting estimates and judgements

Valuation of glebe assets

Following economic turbulence in 2022 and 2023, the UK experienced 0.8% growth in 2024, with inflation at 2.5%. The Bank of England predicts inflation will fall to around 2% in 2025, with interest rates decreasing from 4.75% to 4.00%. Despite geopolitical uncertainties, good quality tenants on established leases are expected to benefit investor landlords over the next few years.

The Commercial element of the Property Portfolio saw a decrease in valuation from £12,575,000 in 2023 to £12,025,000 in 2024, reflecting rental increases, lease regearing, and property disposals. The agricultural sector was highly active, driven by expected changes to capital taxation and Inheritance Tax, with stable rents and new environmentally led schemes. Residential properties in south Warwickshire showed resilience, with a 3% increase in value for short-term assured shorthold tenancies, despite political uncertainty and upcoming legislative changes.

Overall, the portfolio is positioned to withstand current economic challenges and provide a good return to the Charity, with positive growth expected in 2025, albeit with some uncertainties.

3. Net Income

Net income is stated after charging/crediting

	2024 £000s	2023 £000s
Net income		
Auditor's remuneration for the audit	39	18
Depreciation	26	24
Hire of office equipment	5	4
Surplus on disposal of tangible fixed assets	(906)	(151)

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

4. Analysis of income

a Parish Share

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Parish share received for the current year	4,980	-	20	-	5,000	4,861
Arrears received in respect of previous years	162	-	-	-	162	251
	5,154	-	20	-	5,162	5,112

b Grants from Church Commissioners and Archbishops' Council

This reflects monies from Church Commissioners and Archbishops' Council which are used in the following activities:

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Ministry Division funding of curates	364	-	-	-	364	318
Mission to Lowest Income Communities grant	-	-	484	-	484	468
Ordination Training Grant	-	-	(67)	-	(67)	168
Contribution to Bishop's Legal costs	53	-	-	-	53	62
	417	-	417	-	834	1,016

c Other grants and donations

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
King Henry VIII Endowed Trust	-	-	198	-	198	190
Benefact Trust	89	-	-	-	89	103
Urban Plant Programme	-	-	50	-	50	167
Net Zero Grant	-	-	86	-	86	35
Serving Christ	-	-	(11)	-	(11)	222
Legacies	5	-	-	-	5	-
Other grants and similar income	112	-	447	-	559	67
	206	-	770	-	976	784

d Charges for charitable activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Parochial fees	277	-	-	-	277	283
	277	-	-	-	277	283

e Other trading activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Rental income (non-investment properties)	259	-	-	-	259	217
Recharged payroll costs	151	-	-	-	151	144
Training	16	-	-	-	16	1
Sundry income	12	-	2	-	14	45
	439	-	2	-	441	407

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

f Investments

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Glebe property income	-	-	-	1,204	1,204	1,410
Glebe investment disposals	-	-	-	-	-	-
Unlisted securities	155	4	82	993	1,234	1,061
Bank and deposit interest	-	-	-	-	-	81
Other property income	6	-	-	-	6	21
	161	4	82	2,197	2,444	2,573

5. Analysis of expenditure

a Raising funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Glebe operating costs	-	-	260	2	262	163
Glebe management fees	-	-	64	-	64	61
Parsonage rental costs	53	-	-	-	53	38
Support costs	294	-	20	-	313	254
	347	-	344	2	693	516

b Mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Clergy stipends costs (see note 9)	61	-	3,598	-	3,659	3,610
Curates stipends costs (see note 9)	23	-	1,109	-	1,132	981
Clergy housing	1,602	257	84	-	1,944	1,612
Clergy appointment & retirement costs	122	-	-	-	122	159
Staff costs (see note 10)	307	-	(2)	-	305	329
Fees to retired stipendiary clergy	42	-	-	-	42	36
Other clergy diocesan expenses	64	-	62	-	126	42
Support costs	354	-	24	-	378	295
	2,576	257	4,875	-	7,708	7,064

c Support for mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Department costs	41	1	3	-	45	380
Staff costs (see note 10)	627	48	49	-	724	1,227
Grants (see note 7)	339	300	488	-	1,127	443
Churches closed for public worship	11	-	-	-	11	17
Support costs	1,119	-	75	-	1,194	941
	2,136	349	615	-	3,100	3,009

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

d Contributions to Archbishops' Council

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Training for ministry	285	-	-	-	285	424
National Church Responsibilities	140	-	-	-	140	135
Grants and provisions	24	-	-	-	24	24
Mission agencies' pension costs	-	-	-	-	-	7
Retired clergy housing & other costs	97	-	-	-	97	92
Pooling of candidates' costs	-	-	-	-	-	-
	546	-	-	-	546	682

e Diocesan Board of Education

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
Grants (see note 7)	169	-	-	-	169	199
Support costs	8	-	1	-	9	33
	177	-	1	-	178	232

f Other

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s	2023 Total £000s
DBE (proceeds of St Barts bungalow)	-	-	-	-	-	141
Other	-	-	-	-	-	8
	-	-	-	-	-	149

6. Analysis and allocation of support costs

	Raising funds £000s	Ministry & mission £000s	Support for ministry & mission £000s	Education £000s	2024 Total £000s	2023 Total £000s
Governance, management & finance						
Staff costs (see note 10)	155	96	306	6	562	519
Other costs	57	38	220	2	318	210
Office						
Staff costs (see note 10)	32	199	307	-	538	456
Other costs	70	45	361	-	475	321
	313	378	1,194	8	1,893	1,506

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

7. Grants awarded

	2024 Total £000s	2023 Total £000s
To parishes and other organisations in the Diocese		
<i>Mission and ministry in parishes</i>		
Mission to Lowest Income Communities grants	66	(231)
Diocesan Mission Fund grants to parishes	153	48
Hardship Fund	-	(170)
Bishop's Mission Fund grants to parishes	2	2
Block Grant	26	40
Urban Church Plants	331	74
Other grants to parishes	46	68
<i>Church land and buildings</i>		
Church Improvement Fund grants for eleven churches (2023: ten churches)	21	55
Buildings for Mission	67	-
Church Fabric Fund grants for seven churches (2023: four churches)	32	92
Other Net Zero grants	11	-
CIF Net Zero grants	85	105
<i>Other organisations in the Diocese</i>		
Coventry Diocesan Board of Education	169	199
Together for Change	30	33
Coventry Cathedral	150	143
	1,188	458
To other institutions		
Syrian Orthodox Christian School	10	11
Queen Victoria Fund 2023	3	-
Workcare Grant 2024	7	-
	20	11
To individuals		
For support of ordinands in ministerial training	74	147
Other grants to clergy and readers	12	23
Lay retreat grants	2	3
	88	173
	1,296	642

Summarised by fund type:

	General Fund £000s	Designated funds £000s	Restricted funds £000s	2024 Total £000s	2023 Total £000s
Support for mission and ministry					
Mission and ministry in parishes	33	175	416	624	(169)
Church land and buildings	14	125	77	216	252
Other organisations in the Diocese	180	-	-	180	176
Other institutions	10	-	11	20	11
Individuals	103	-	(15)	88	173
	339	300	488	1,127	443
Diocesan Board of Education					
Other organisations in the Diocese	169	-	-	169	199
	169	-	-	169	199
	508	300	488	1,296	642

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

8. Trustees' emoluments and expenses

None of the trustees received any emoluments from the DBF for services performed as directors (2023: £nil).

The parochial clerical members who are trustees of the DBF and the archdeacons are in receipt of a stipend, housing and other payments made to clergy paid by the DBF by virtue of their office. The DBF provides housing for the Suffragan Bishop by virtue of their office.

No trustees received travel expenses related to activity as trustees of the DBF (2023: nil). Two trustees received a total of £1,879 in the year for travel and other expenses in connection with their membership of the General Synod of the Church of England, membership of which is not connected with their membership of the Board (2023: three and £1,865.15). Twelve trustees received a total of £505,683 in connection with other offices held in the Diocese (2023: ten and £477,348). These amounts were for stipends, accrued pension benefits, housing, expenses and sundry grants for resettlement and ministerial development.

9. Clergy headcount and costs

The average full time equivalent number of stipendiary clergy who were office holders in the Diocese was 121.5 (2023: 111); this included two (2023: two) archdeacons.

	2024 Total £000s	2023 Total £000s
Stipends	3,718	3,497
Social security costs	323	291
Pension contributions	847	872
	4,887	4,660

10. Staff headcount and costs

The Diocese's preferred method for reporting headcount is by an average of full-time equivalents.

a Staff numbers based on an average of full time equivalent

	2024	2023
Staff employed directly:		
Mission and ministry	7	10
Support for mission and ministry	24	20
Central support	15	11
	45	41
Staff employed via third parties		
Central support	1	1
	1	1
	46	42

b Staff numbers based on headcount

	2024 Headcount	2023 Headcount
Staff employed directly:		
Mission and ministry	8	11
Support for mission and ministry	31	22
Central support	19	13
	58	46
Staff employed via third parties		
Central support	2	1
	2	1
	60	47

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

	2024 Total £000s	2023 Total £000s
Staff employed directly:		
Salaries	1,848	1,617
Social security costs	167	182
Pension contributions	18	146
	2,033	1,945
Staff employed via third parties		
For service in the year	166	152
	2,199	2,097

The number of employees whose total remuneration amounted to over £60,000 in the year was as follows:

	2024 Headcount	2023 Headcount
£80,001 to £90,000	1	2
£70,001 to £80,000	-	1
£60,001 to £70,000	2	2

11. Tangible fixed assets

	Parsonages £000s	Glebe houses £000s	Operational properties £000s	Diocesan offices £000s	Office equipment £000s	Total £000s
Cost						
At 1 January 2024	6,219	928	11,452	846	314	19,759
Additions	-	-	-	-	5	5
Transfers	843	-	(843)	-	-	-
Disposals	10	-	-	-	-	10
At 31 December 2024	7,052	928	10,609	846	319	19,754
Depreciation						
At 1 January 2024	-	-	-	-	265	265
Charge for year	-	-	-	-	26	26
At 31 December 2024					291	291
Net book value						
At 31 st December	7,052	928	10,609	846	28	19,462
At 1 st January	6,219	928	11,452	846	49	19,494

All tangible fixed assets were used for direct charitable purposes.

12. Fixed asset investments

	Glebe properties £000s	Unlisted investments £000s	2024 Total £000s	2023 Total £000s
Fair value at 1 January	33,736	38,702	72,438	68,825
Additions at cost	-	-	-	-
Disposals at cost	1,089	-	1,089	-
(Losses)/Gains on revaluation	1,282	880	2,162	3,613
Fair value at 31 December	33,929	39,582	73,511	72,438

Option agreements on Glebe properties have been entered into with land developers of £293k (2023: £170k). These have been deferred in sundry creditors (see note 14). Receipts of £123k were received after the year end and are included in other debtors (see note 13).

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

13. Debtors

	2024 Total	2023 Total
	£000s	£000s
Glebe agents	194	414
Accrued grant income due within one year	1,348	1,494
Prepayments and accrued other income	277	118
CCLA dividend income accrued	277	262
Other debtors	8,129	152
	10,225	2,440

14. Creditors: amounts falling due within one year

	2024 Total	2023 Total
	£000s	£000s
Trade creditors	1,811	392
Grant payment accruals	535	413
Other accruals	208	204
Deferred income	557	386
Taxation and social security	1,132	85
Pension contributions payable	51	91
	4,294	1,571

	Property Land Options £000s	Income Received in Advance £000s	Deferred Income £000s	Total Deferred Income £000s
Opening Balance 1 st January	170	-	216	386
Deferrals	133	90		223
Released	-	(50)	(3)	(53)
Closing Balance 31st December	303	40	214	557

15. Creditors: amounts falling due after more than one year

	2024 Total	2023 Total
	£000s	£000s
Pension liability (see note 2)	-	-
Grant payment accruals	-	-
	-	-

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

16. Statement of funds

	At 1 Jan 2024 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 December 2024 £000s
GENERAL FUND	2,283	6,641	(5,781)	(619)	49	2,573
DESIGNATED FUNDS						
Operational Properties Fund	11,658	-	-	(845)	-	10,813
Cathedral Fund	5,000	-	-	-	-	5,000
Bishop's Mission Fund	35	-	(2)	-	-	33
Extra Mission & Ministry Fund	75	-	(48)	-	-	27
Diocesan Mission Fund	94	-	(173)	90	-	11
Church Fabric Fund	2	-	(42)	50	-	10
Church Improvement Fund	26	-	(31)	10	-	5
Bishop of Coventry's Link Dioceses Fund	4	-	-	-	-	4
Lambeth Conference Fund	20	-	-	-	-	20
Special Projects 2020	20	-	-	-	-	20
Clergy Holidays Fund	143	4	-	-	3	150
Property Net Zero Quick Win Fund	-	-	(177)	200	-	23
CIF-NZ (Net Zero)	-	-	(53)	200	-	147
Property (Net Zero) Pilot	80	-	(80)	-	-	-
Total designated funds	17,156	4	(606)	(295)	3	16,262
Total unrestricted funds	19,439	6,645	(6,387)	(914)	52	18,835
RESTRICTED FUNDS						
Serving Christ Fund	197	(11)	(90)	(96)	-	-
Mission to Lowest Income Communities	505	484	(91)	(243)	-	655
Church Commissioners' Mission Fund	2	-	-	-	-	2
LINC DMF Fund	-	-	(39)	73	-	34
LINC NCD Fund	13	-	-	(13)	-	-
LINC CGDA Fund	12	-	-	(12)	-	-
LINC Stipends Fund	4	-	-	-	-	4
LINC Growth Strategy	435	-	(304)	195	-	326
Strategic Development Fund	950	50	(199)	-	-	801
Places of Peace project	7	-	-	-	-	7
Offa Capital Projects Fund	230	19	(31)	-	-	218
Offa Spiritual Renewal Fund	1,338	38	(20)	-	30	1,386
Syrian Orthodox Christian School Fund	5	12	(11)	-	-	6
Companionship Link Funds	1	-	-	-	-	1
Retreat Grants Fund	11	-	-	-	-	11
The Reverend George Goode Fund	15	-	-	-	-	15
Ordination Training Grant Fund	63	(67)	(11)	165	-	150
DC Bonfield Bequest	59	-	-	-	-	59
Archdeacons' Discretionary Fund	50	2	(3)	-	1	50
Queen Victoria Clergy Fund	5	2	-	-	-	7
Diocesan Stipends Fund Income Account	2,003	23	(4,617)	4,572	-	1,981
Capacity Funding B	64	-	(51)	-	-	13

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

16. Statement of funds – continued

	At 1 Jan 2024 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 December 2024 £000s
Warwick Clergy Stipends & Housing Fund	-	198	(198)	-	-	-
NZ Grant 1	15	-	-	-	-	15
NZ Grant 2 Recruitment	83	(20)	(33)	-	-	30
Pastoral Fund	-	906	-	10	-	916
Ministry Hardship Fund	2	-	-	-	-	2
Parsonage Grant	-	7	(7)	-	-	-
Parish Share Fund	-	20	(17)	-	-	3
NZ Housing Demonstrator Grant	-	37	-	-	-	37
Church Buildings Support Officer Grant	-	45	-	-	-	45
10k Quick Win	-	49	(10)	-	-	39
Alto Energy (BUS Grant)	-	8	(8)	-	-	-
Diocesan Investment Program	-	286	(28)	-	-	258
Buildings for Mission	-	110	(67)	-	-	43
Total restricted funds	6,069	2,198	(5,835)	4,651	31	7,114

ENDOWMENT FUNDS

Expendable:

Parsonage Houses Fund	6,218	-	-	834	-	7,052
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Permanent:

Diocesan Stipends Fund Capital Account	63,785	2,197	(2)	(4,555)	6,785	68,210
Coventry Diocesan Endowment Fund	872	-	-	(17)	19	874

Total endowment funds	70,875	2,197	(2)	(3,738)	6,804	76,136
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TOTAL FUNDS	96,383	11,040	(12,224)	(1)	6,887	102,085
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17. Descriptions of Designated, Restricted and Endowment Funds

Designated Funds

Operational Properties Fund

This fund represents the cost of properties held for operational use by the DBF and by clergy not in parochial posts that otherwise would be held by the General Fund, including the houses occupied by the Suffragan Bishop and the archdeacons, but excluding Glebe houses for occupation by clergy, together with surplus cash from the sale of properties held for reinvestment in houses for curates and other clergy.

Cathedral "Endowment" Fund

With the loss of trading income for the Cathedral during the COVID 19 pandemic, the DBF has created a fund with a capital amount of £5m which is to remain under the control of the DBF. The income generated from the capital amount, currently invested with CCLA, is granted on a quarterly basis to the Cathedral each year. It is expected that c£150k will be derived from these investments. This income can be used by the Cathedral on its normal running costs and in return the Cathedral will continue to provide Diocesan services, and work with parishes on the reconciliation ministry strategic objective across the Diocese. These funds can be undesignated, in agreement with the Cathedral, by the DBF in the future.

Bishop's Mission Fund

This fund has been established to support specific mission projects sponsored by the Bishop of Coventry.

Extra Mission and Ministry Support Fund

This fund enables the DBF to give financial support to those providing ministry and mission.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

Diocesan Mission Fund

The Diocesan Mission Fund was set up in 2009 and has been replenished to fund applications for mission support from parishes.

Church Fabric Fund

This fund is normally used to make fabric grants to churches.

Church Improvement Fund

This fund is used to make improvement grants to churches for their buildings with the aim of increasing mission effectiveness.

Bishop of Coventry's Link Dioceses Fund

This fund is supported by transfers from the General Fund and relates to the Anglican Diocese of Kaduna and the Syrian Orthodox Diocese of Jerusalem.

Lambeth Conference Fund

This fund was set up in 2020 to support the Lambeth Conference, a national Anglican-communion event held in 2022

Special Projects 2020

This fund was established to support special projects in the Diocese of Coventry.

Clergy Holidays Fund

This fund receives interest arising from the capital on the past sale of a flat in Bournemouth and a bequest received in 2005. It is used by the Archdeacons to make holiday grants to clergy and licensed lay workers.

Diocesan Board of Education (DBE)

This fund was set up to transfer the proceeds of the sale of the site bungalow at St Bartholomew's CofE Academy following the decision by the Diocesan Trustees to pay the proceeds to the CDBF with the intention of supporting the DBE.

CIF-NZ (Net Zero)

This fund was set up as part of the Church Improvement Fund to give grants to parishes for improving the facilities in their church buildings that demonstrate a reduction in carbon footprint.

Property (Net Zero) Pilot

This fund was set in 2023 to cover the costs of a housing project that would showcase the benefits of ensuring that the housing stock that the DBF is responsible for is as energy efficient as possible.

Property Net Zero Quick Win Fund

This fund was set up to improve the Net Zero performance of the housing stock that the DBF is responsible for.

Restricted Funds

Serving Christ Fund

This fund has been set up as a result of a grant awarded in 2017 by the Church Commissioners towards the costs of the Serving Christ project, an extension of the existing diocesan strategy of growing healthy churches. The project aims to increase significantly the capacity for growth in existing and emerging churches across the diocese of Coventry, and also Ebbsfleet parishes in other Dioceses, by a focus on discipleship development.

Mission to Lowest Income Communities Fund

This fund is for grants received from the Church Commissioners for mission to lowest income communities in the Diocese.

Church Commissioners' Mission Fund

This fund represents additional funds given to the DBF by the Church Commissioners that have arisen as a result of better returns on their investment assets and may be used to support parochial ministry and mission.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

LINC DMF Fund

This fund is drawn from the Lowest Income Communities Fund to award Diocesan Mission Fund grants to eligible parishes.

LINC NCD Fund

This fund is drawn from the Lowest Income Communities Fund to support the DBF's healthy churches work and Natural Church Development (NCD) diagnostic survey tool.

LINC CGDA Fund

This fund is drawn from the Lowest Income Communities Fund for the DBF's Church Growth in Deprived Areas project

LINC Stipends Fund

This fund is drawn from the Lowest Income Communities Fund for clergy stipends in the Church Urban Plants and Mission Hubs that are in eligible parishes

LINC Growth Strategy

This fund is drawn from the Lowest Income Communities Fund to support the DBF's missional growth work.

Strategic Development Fund

This fund represents monies released by the Church Commissioners to support major change projects which lead to a significant difference in dioceses' mission. This includes the Church Urban Plants project.

Places of Peace Fund

A fund to support a youth work project and pilot which aimed to address the issue of youth violence in the city of Coventry.

Offa Capital Projects Fund

The Trustees and Bishop of Coventry have set this fund using the proceeds of the Offa House sale. The capital and income from this fund can be used to fund capital projects that support the spiritual development of the members of the church in the Diocese of Coventry.

Offa Spiritual Renewal Fund

This fund has been set up using the monies from the sale of Offa House. The capital and income from this fund is available to fund projects for children and or adults which develop their spirituality.

Syrian Orthodox Christian School Funds

The Mar Ephraim School is a Syrian Orthodox school that opened in Bethlehem in 2006. Donations to the main fund go to support the school and the Scholarship Fund is used to provide a bursary for a pupil. These funds were previously managed by Coventry Cathedral and were paid over to the DBF in December 2011.

Companionship Link Funds

These funds are funds raised to fund specific projects for the linked dioceses, including the Diocese of Kapsabet in Kenya.

Retreat Grants Fund

This fund was set up with funds donated by the company which managed the former retreat house, for retreat grants for lay people who are not licensed and who are communicant members of the Church of England within the Diocese of Coventry.

The Reverend George Goode Fund

This fund represents money held for training and supporting the ministry of Readers in the Diocese.

Ordination Training Grant Fund

This fund is for the block grant received from the Archbishop's Council for training ordinands sponsored by the Diocese. The block grant is based on the number and age of ordinands sponsored by the Diocese and can only be used to fund training on Initial Ministerial Education Phase 1 pathways at accredited institutions approved by the Ministry Division of the Archbishops' Council.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

DC Bonfield Bequest and Ordination Candidates' Fund

These funds enable the DBF to give financial support to those in training for the Ministry. The DC Bonfield Bequest funds came from the estate of Donald Charles Bonfield in 2006 and subsequent years.

Archdeacons' Discretionary Fund and the Queen Victoria Clergy Fund

These funds enable the Archdeacons and the Bishop to give discretionary grants to those in Parochial Ministry in need.

Diocesan Stipends Fund Income Account

This fund consists of accumulated income balances subject to the Diocesan Stipends Fund Measure 1953. It receives income specifically for support of stipends, in particular Glebe rental income and investment income from the Diocesan Stipends Fund Capital Account and is charged with expenditure on Clergy stipends and the management and maintenance of Glebe property. The excess of expenditure over income is charged to the General Fund.

Capacity Funding

This fund has been set up as a result of a grant awarded in 2020 from the Church Commissioners to fund the first year of salary for the Programme Manager and the Director of New Worshipping Communities posts which form part of the Growth Strategy of the Diocese.

Pastoral Fund

This fund is the Diocesan Pastoral Account as set up under sections 77 and 78 of the Pastoral Measure 1983. It can be used for repairing redundant churches in the ownership of the DBF, for the provision, repair or improvement of churches & parsonages, or any other purposes of the DBF or parishes, other than the augmentation of stipends.

Acceler8

This fund has been set up as a result of a grant awarded in 2015 by the Church Commissioners towards the cost of a project to speed up the growth of churches across the diocese by improving their health in eight quality areas and by intentionally focusing on the 20s and 30s age range.

The following fund is still active but has a zero balance. There has been some activity during the year.

EE Bardsley Bequest

These funds were received in 2005 and 2006 from the estate of the late Mrs Edith Bardsley, widow of the late Bishop Bardsley, for use by the Coventry Diocesan Board of Mission, of which the DBF is the successor. Both capital and income may be used.

Warwick Clergy Stipends & Housing Fund

This fund receives income from The King Henry VIII Endowed Trust, Warwick to pay for Stipends & housing costs of the clergy in parishes of the Warwick Team & Budbrooke.

NZ Grant 1

This grant was awarded in 2023 by the Church Commissioners & is for impartial energy audits.

NZ Grant 2 Recruitment

This capacity grant was awarded in 2023 by the Church Commissioners to support the Diocese in employing a Net Zero Consultant, who could help facilitate Net Zero projects at local parish levels.

Ministry Hardship Fund

This fund represents funding received from the Church Commissioners to provide one off hardship grants to clergy & employees on lower income & grants towards PCC to help with the significant increase in energy costs.

Net Zero Housing Demonstrator Grant

This fund is the result of a grant awarded in 2024 by the Church Commissioners to fund retrofit projects that enable improvements in the Net Zero Performance of the Diocesan's housing stock.

Church Building Supports Officer Grant

This fund is the result of a grant awarded in 2024 by the Church Commissioners to part fund the cost of employing a Church Builders Support Office.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

10k Quick Win Fund

This fund is the result of a grant awarded in 2024 by the Church Commissioners to fund small grants to parishes within the Diocese to help support local Net Zero projects.

Alto Energy Grant

This grant was awarded in 2024 to fund a Boiler upgrade scheme to benefit the DBF's housing stock.

Diocesan Investment Program

This fund has been set up as a result of a grant awarded in 2024 by the Church Commissioners towards the work & cost of a Strategic Programme & Change Director.

Building For Mission

This fund is the result of a grant awarded in 2024 by the Church Commissioners to cover grants to parishes for urgent & necessary minor repair projects or improvement projects on their church buildings.

Parish Share Fund

This fund is for income & expenditure related to the cost of ministry for parishes that have given Parish Share income via a third party.

Endowment Funds

Parsonage Houses Fund

This fund represents the capitalised value of clergy housing for which the DBF has responsibility for maintenance.

Diocesan Stipends Fund Capital Account

This fund represents the value of property and investments held under the Endowments and Glebe Measure 1976. Historically, these holdings were held at parish level for the benefit of individual clergy stipends, but since the Measure they have been managed at Diocesan level for the benefit of all clergy paid for by the DBF.

Coventry Diocesan Endowment Fund

This fund is established to produce income applied for the augmentation of stipends. The assets of the fund are held by the Diocesan Trustees as custodian trustees.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

18. Total Return

	Trust for Investment £000s	Unapplied Total Return £000s	Total £000s
<i>At 1 January 2024</i>			
Gift component of the permanent endowment	14,984		14,984
Accumulated inflation since original gift	9,648		9,648
Accumulated net transfers brought forward	(162)		(162)
Unapplied total return		39,315	39,315
	24,470	39,315	63,785
<i>Movements in the year</i>			
Investment return: property income, dividends and interest		2,197	2,197
2024 Investment expenditure: Glebe		(325)	(325)
Investment return: realised and unrealised gains and losses		6,785	6,785
Indexation on base value of investment	375	(375)	-
	375	8,282	8,657
Unapplied total return allocated to income in the year		(2,197)	(2,197)
Release of historic unapplied total return		(2,358)	(2,358)
	-	(4,555)	(4,555)
Net movements in the year	375	3,727	4,102
<i>At 31 December 2024</i>			
Gift component of the permanent endowment	14,984		14,984
Accumulated inflation since original gift	10,023		10,023
Accumulated net transfers brought forward	(162)		(162)
Unapplied total return		43,042	43,042
	24,845	43,042	67,887

19. Transfer between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s
Church Fabric Fund	(50)	50	-	-	-
Diocesan Stipend Fund Income Account	-	-	17	(17)	-
CIF Church Improvement Fund	(10)	10	-	-	-
CIF-NZ (Net Zero)	(200)	200	-	-	-
Diocesan Mission Fund	(90)	90	-	-	-
Ordination Training Block Grant Fund	(232)	-	232	-	-
Ordination Training Block Grant Fund	67	-	(67)	-	-
Property NZ Quick Win Fund	(200)	200	-	-	-
Serving Christ	96	-	(96)	-	-
Pastoral Fund	-	-	11	(11)	-
Parsonage Houses Fund	-	(845)	-	845	-
	(619)	(295)	97	817	-

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

20. Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2024 Total £000s
Funds at 31 December 2024 are represented by:					
Tangible fixed assets	28	12,297	-	7,137	19,462
Fixed asset investments	5,533	115	1,260	66,605	73,513
Net current assets	(2,988)	3,850	5,854	2,394	9,110
Total net assets	2,573	16,262	7,114	76,136	102,085

21. Related party transactions

The Coventry Diocesan Board of Education (the DBE) is a related party as it is responsible to Diocesan Synod, the members of which are also the members of the DBF. The DBF provided the DBE with grants of £169,004 (2023: £159,000) in the year towards the costs of the DBE's statutory obligations.

The Coventry Diocesan Trustees (Registered) (the CDT) is a related party as it is the custodian trustee of the Coventry Diocesan Endowment Fund and a residential property. Income received from the Diocesan Trustees during the year for the Diocesan Stipends Fund Income Account was:

- Coventry Diocesan Endowment Fund £23,225.21 (2023: £22,860)
- Residential property £4,776 (2023: £4,222)

Costs incurred by the DBF on behalf of the Diocesan Trustees were £24,500 (2023: £25,350). These costs were for secretarial support and accounts preparation fees.

Together for Change (TFC) is a partner charity supported by the DBF and the Church Urban Fund. Costs incurred by the DBF as part of this partnership include the supply of a Chief Executive Officer, office and IT provision, and finance and HR services. Grants of £100,000 were awarded in the year (2023: £33,000).

There were £250 other related transactions during the year with the company Potential Plus. The transaction related to Curates training services provided by Sarah Jackson who is a Director/Owner of Potential Plus and the wife of Barry Jackson, Trustee.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

22. Prior year Statement of Financial Activities

	Notes	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s
Income and endowments from:						
Donations Parish Share	4a	5,112	-	-	-	5,112
Church Commissioners	4b	313	-	703	-	1,016
Other grants and donations	4c	131	-	653	-	784
Charges for charitable activities	4d	283	-	-	-	283
Other trading activities	4e	406	1	-	-	407
Investments income	4f	195	2	19	2,357	2,573
Surplus on sale of assets	4g	-	151	-	-	151
Total		6,440	154	1,375	2,357	10,326
Expenditure on:						
Raising funds	5a	292	-	-	224	516
Charitable activities						
Mission and ministry	5b	3,501	-	3,563	-	7,064
Support for mission and ministry	5c	2,294	300	415	-	3,009
Contributions to Archbishop's Council	5d	370	-	312	-	682
Diocesan Board of Education	5e	232	-	-	-	232
Other	5f	1	141	7	-	149
Total		6,690	441	4,297	224	11,652
Net income before investment gains		(250)	(287)	(2,922)	2,133	(1,326)
Net gains on investments						
Net gains on revaluation	12	582	11	21	2,999	3,613
Net income		332	(276)	(2,901)	5,132	2,287
Transfers between funds	19	291	417	4,384	(5,092)	-
Other recognised gains:						
Actuarial gains on defined benefit pension scheme	2	-	-	-	-	-
Net movement in funds		623	141	1,483	40	2,287
Reconciliation of funds						
Funds at 1 January	16	1,660	17,015	4,586	70,835	94,096
Net movement in funds		623	141	1,483	40	2,287
Funds at 31 December	16	2,283	17,156	6,069	70,875	96,383

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

23. Prior year Statement of Funds

	At 1 Jan £000s	Income £000s	Expenditure £000s	Transfer s £000s	Gains and (losses) £000s	At 31 Dec £000s
GENERAL FUND	1,660	6,440	(6,690)	291	582	2,283
DESIGNATED FUNDS						
Operational Properties Fund	11,507	151	-	-	-	11,658
Cathedral "Endowment" Fund	5,000	-	-	-	-	5,000
Bishop's Mission Fund	35	-	(2)	1	-	34
Extra Mission & Ministry Fund	107	-	(32)	-	-	75
Diocesan Mission Fund	24	-	(12)	82	-	94
Church Fabric Fund	9	-	(92)	85	-	2
Church Improvement Fund	17	-	(59)	68	-	26
Bishop of Coventry's Link Dioceses Fund	5	1	(2)	-	-	4
Lambeth Conference Fund	20	-	-	-	-	20
Special Projects 2020	20	-	-	-	-	20
Clergy Holidays Fund	129	2	-	1	11	143
Diocesan Board of Education	141	-	(141)	-	-	-
CIF-NZ (Net Zero)	-	-	(100)	100	-	-
Property (Net Zero) Pilot Fund	-	-	-	80	-	80
Total designated funds	17,014	154	(440)	417	11	17,156
Total unrestricted funds	18,674	6,594	(7,130)	708	593	19,439

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

23. Prior year Statement of Funds - continued

	At 1 Jan £000s	Income £000s	Expenditure £000s	Transfer s £000s	Gains and (losses) £000s	At 31 Dec £000s
RESTRICTED FUNDS						
Serving Christ Fund	252	256	(311)	-	-	197
Mission to Lowest Income Communities	510	468	142	(615)	-	505
Church Commissioners' Mission Fund	2	-	(26)	26	-	2
LINC DMF Fund	24	-	(54)	30	-	-
LINC NCD Fund	13	-	-	-	-	13
LINC CGDA Fund	11	-	3	(2)	-	12
LINC Stipends Fund	4	-	-	-	-	4
LINC Growth Strategy	499	-	(259)	195	-	435
Strategic Development Fund	1,250	-	(115)	(185)	-	950
Places of Peace project	7	-	-	-	-	7
Offa Capital Projects Fund	253	-	(23)	-	-	230
Offa Spiritual Renewal Fund	1,307	18	(4)	-	17	1,338
Syrian Orthodox Christian School Fund	9	-	(10)	6	-	5
SOCS Scholarship Fund	1	-	(1)	-	-	-
Companionship Link Funds	1	5	(5)	-	-	1
Retreat Grants Fund	13	-	(3)	1	-	11
The Reverend George Goode Fund	15	-	-	-	-	15
Ordination Training Grant Fund	203	236	(375)	(1)	-	63
DC Bonfield Bequest	59	-	-	-	-	59
Archdeacons' Discretionary Fund	45	1	(1)	1	4	50
Queen Victoria Clergy Fund	5	5	(5)	-	-	5
Diocesan Stipends Fund Income Account	-	-	(3,089)	5,092	-	2,003
Capacity Funding A	103	92	(106)	(25)	-	64
Capacity Funding B	-	-	-	-	-	-
Acceler8	-	6	-	(6)	-	-
EE Bardsley Bequest Fund	-	-	(28)	28	-	-
Warwick Clergy Stipends & Housing Fund	-	190	(190)	-	-	-
NZ Grant 1	-	-	-	15	-	15
NZ Grant 2 Recruitment	-	91	(8)	-	-	83
Pastoral Fund	-	-	-	-	-	-
Ministry Hardship Fund	-	-	171	(169)	-	2
Parsonage Grant	-	7	-	(7)	-	-
Total restricted funds	4,586	1,375	(4,297)	4,384	21	6,069
ENDOWMENT FUNDS						
<i>Expendable:</i>						
Parsonage Houses Fund	6,218	-	-	-	-	6,218
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	63,834	2,340	(224)	(5,092)	2,927	63,785
Coventry Diocesan Endowment Fund	784	17	(1)	-	72	872
Total endowment funds	70,836	2,357	(225)	(5,092)	2,999	70,875
TOTAL FUNDS	94,096	10,326	(11,652)	-	3,613	96,383

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

24. Prior year Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s
Funds at 31 December 2023 are represented by:					
Tangible fixed assets	49	12,298	-	7,147	19,494
Fixed asset investments	5,484	112	1,229	65,613	72,438
Net current assets	(3,250)	4,746	4,840	(1,885)	4,451
Total net assets	2,283	17,156	6,069	70,875	96,383

Accounts



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COVENTRY



Coventry Diocesan Board of Finance Limited

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Company Registered Number: 319482
Registered Charity Number: 247828

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS - for the year ended 31 December 2023

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COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS - for the year ended 31 December 2023

A Message from Bishop Ruth



A huge “thank-you” to all who have given of their gifts, skills and talents in the past year across the diocese. We are all enormously grateful

I am writing this message almost six months after my arrival in the diocese as your Acting Diocesan Bishop and six months after Bishop Christopher’s departure to Windsor. Alongside that departure and arrival, we also welcomed Steve Coomber in January 2024 as our new Chair of the DBF in succession to Simon Danks who, in 2023, was appointed the Cathedral’s Chief Operating Officer - with the space ably held by Chris Baker as Interim Chair until Steve’s arrival! Much change!

Despite these comings and goings, it is so good to be able to reflect upon the solid framework of ‘Our Shared Future’ with the first iteration of that framework coming into effect in 2023 supporting our vision of restored health, new growth and renewed relationships. The resulting achievements and performance of last year are encouraging, not least because of our increasingly strategic and intentional manner of operation with a determination, amongst much else, to provide a range of support services to our parishes as informed by the listening exercise, parish needs survey and Archdeacons’ Articles of Enquiry.

There is still much work to be done, of course, but it is hugely encouraging that key priorities and workstreams are now drawn together in a direction of travel which not only aligns us with the Church of England’s priorities but allows us to build upon those needs, challenges and opportunities we have identified for Coventry Diocese.

May I conclude by reiterating my heart-felt gratitude and sincere thanks to colleagues in the Diocesan Offices, to members of the DBF and also, of course, to those in our wonderful parishes, schools and chaplaincies all of whom offer their skills and gifts as we work together towards our shared future. Undoubtedly there will be challenges along the way not least as we face turbulent times in our world. But there is much to which we should look forward with hope and trust and, with our faith rooted firmly in the Resurrection of Jesus Christ, we give thanks to God who is faithful, praying that his reconciling purposes – in all things – may be fulfilled.

The Right Revd Ruth Worsley
Acting Bishop of Coventry

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS - for the year ended 31 December 2023

Chair's Report



The year ending 2023 has been one of significant change within the Diocese, perhaps most keenly illustrated by the changes we have seen in our episcopal oversight.

First, in August Bishop John Stroyan retired after more than eighteen years as our Suffragan Bishop. We are immensely thankful and deeply grateful for all he has contributed to the life of the diocese. Then, in early November, after serving as our Diocesan Bishop since 2008, Bishop Christopher left to follow his call to become the Dean of Windsor. Our gratitude for Bishop Christopher's humble and faithful service to the Diocese over the last 15 years was expressed in a beautiful service of thanksgiving and farewell in the Cathedral on Saturday, 4th November 2023.

On 5th November, the Right Reverend Bishop Ruth Worsley (Bishop of Taunton) joined us as the Acting Bishop of Coventry, supported by Bishop Saju Muthalaly, Bishop of Loughborough. We are grateful to both for offering their time and precious gifts to provide us with the episcopal oversight we need during the Vacancy-in-See. We are also enormously grateful for the support of our Assistant Bishops; Bishop Jonathan Meyrick, Bishop Edward Condry, Bishop Paul Thomas and Honorary Assistant Bishop David Evans.

I would also like to give thanks and recognition to Simon Danks who, after 3 years as the Chair of the Coventry Diocesan Board of Finance, left to become the Chief Operating Officer of the Cathedral.

Looking across the Diocese more widely, I recognise that these continue to be financially challenging times for our parishes and am immensely grateful to our congregations for their generosity and for the exceptional work of our volunteer treasurers. Their combined efforts meant we received £5.1m in parish share, which represents a small increase from 2022. This, combined with the income from our investments, enabled us to maintain our clergy and curate numbers, look after their vicarages, and provide ongoing ministerial development and support for them and our self-supporting ministers, lay licensed readers and clergy with permission to officiate. This generosity also helped to resource mission and ministry across the Diocese, and enable a warm welcome to over 14,000 worshippers, and facilitate more than 2,400 weddings, funerals and baptisms.

You can read all about our activities across the course of the year in section 1.3 of this report.

Towards the end of the year, Diocesan Synod approved the budget for 2024. With generous stewardship and good fiscal management, we have been able to budget a slight increase in parish share offers and a reduction in the release of historic funds. We have also been able to manage costs, resulting in just a 2% increase in overall expenditure. The central commitment within the budget is to ensure the Board of Finance is appropriately resourced to enable it to continue to serve and support the life of our parishes, schools, and the Cathedral, as well as our clergy and laity.

I would like to thank everyone across the Diocese for their continued commitment to our mission purpose and for their prayers as we seek to advance the Kingdom of God.

Steve Coomber

Chair of Coventry Diocesan Board of Finance Limited

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT - for the year ended 31 December 2023

The trustees, who are also directors for the purposes of company law, present their combined Trustees' Report and Directors' Report, together with the audited financial statements, for the year ended 31 December 2023. The Trustees' and Directors' Report is presented in sections as follows:

Section 1: Strategic Report - which includes a review of achievements and performance in the year

Section 2: Governance Report

Section 3: Trustees' and Directors' Report Approval

SECTION 1: STRATEGIC REPORT

1.1 OBJECTIVES AND ACTIVITIES

Following the refresh of the Whole Diocese Strategy and strategic objectives, the [Our Shared Future](#) framework was formally adopted towards the end of 2022. This was created to help us work together as a whole diocese to achieve the Bishop's vision of **restored health, new growth and renewed relationships** through our mission purpose of worshipping God, making new disciples and transforming communities.

In 2023, the framework identified the support we have committed to giving to our parishes and articulated the work we will be undertaking in nine key areas. Throughout the year progress was monitored through an annual plan which was reported to the Bishop's Strategy Integration Group and Bishop's Council.

The support to our parishes included: providing safeguarding training and advice, managing casework; and helping parishes to respond to safeguarding concerns and allegations; paying grants, stipends and pensions, managing investments, administering parish share and producing budgets, reports and accounts; maintaining and improving our vicarages and other clergy houses; releasing, recognising and resourcing lay ministry, discerning vocations, training ordinands and curates, managing clergy appointments, providing continuing ministerial development and providing HR support; advising about the care and development of churches, including the Diocesan Advisory Committee, and helping to find grants; sharing news, information and resources with parishes, maintaining the diocesan website, Equip Hub and social media channels; and arranging meetings and providing briefing papers for Diocesan Synod, Bishop's Council, and statutory diocesan committees.

The nine key commitments included:

- *Healthy communities* – meeting the social, spiritual and practical needs of those we serve
- *Healthy churches* – promoting the essential qualities of church health
- *Healthy people* – nurturing the wellbeing of everyone who serves the work of the diocese
- *New worshipping communities* – reaching out to those who are missing
- *Children, young people and families* – inviting them to come on a faith journey
- *Growing leaders* – enabling and equipping both new and current leaders
- *Loving one another* – being a reconciling presence in the heart of our communities
- *Renewing generosity* – supporting others with our time, talents and money
- *Renewing the environment* – restoring environmental balance, both locally and globally

Public benefit

The trustees are confident that by promoting the work of the Church of England in the Diocese of Coventry the Diocesan Board of Finance (DBF) helps to promote the whole mission of the Church of England - pastoral, evangelistic, social and ecumenical - both in the Diocese as a whole and in its individual parishes, and that in doing so provides a benefit to the public by:

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- 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.
- Promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the DBF's aims and objectives and in planning future activities.

1.2 PRINCIPAL RISKS

The DBF's system of risk management was reviewed during 2023 and an updated Risk Management Policy and Procedure was adopted by the trustees at their May 2023 meeting. The scoring system used to assess risks was updated in line with Charity Commission guidance, to give greater emphasis to the potential impact.

As outlined within the Risk Management Policy and Procedure, the organisational risk register is reviewed at least quarterly by the Coventry Operational Leadership Team and also the Bishop's Strategy Integration Group. The risk register is reviewed at each Audit & Risk Committee meeting. Trustees receive the risk register prior to each of their meetings and have the opportunity to raise any questions or ask for clarification. An annual review of risk is carried out by the trustees, including a review of the risk register and horizon-scanning.

At the end of 2023, the DBF's trustees had identified 31 risks for inclusion on the organisational risk register. Of these, 12 risks were noted as 'significant' – ie. those risks where the post-mitigation ranking remains moderate or major. The significant risks were summarised as:

<i>Risk description summary</i>	<i>Mitigations & actions</i>
Lack of cohesive strategic direction and forward planning.	Strategic framework developed and endorsed by trustees (Bishop's Council) and members (Diocesan Synod). Strategy embedded in key operational and strategic meetings. Annual implementation plan developed to include ongoing monitoring and review. Links developed between strategic priorities and longer-term financial planning.
Grant approval process not aligned to strategy.	Application guides reviewed for each fund. Applicants asked to demonstrate link to strategic objectives. Committee provided with additional background context whilst reviewing applications. Grants committee to be part of wider governance review, seeking to improve efficiencies.
Lack of suitably skilled and trained trustees and committee members.	Vacancies actively managed. Governance review underway which includes committee reflective sessions and review of required skills and training for all bodies.
Lack/loss of key parish volunteer roles. Increased burden on decreasing pool of volunteers. Impact on relationship between parishes and DBF.	Listening exercise undertaken to determine what support is most needed. Additional support for key functions developed (HR resources, Parish Structures role). Ongoing churchwarden/treasurer support and training.
High number of simultaneous senior leadership vacancies.	Interim measures put in place to cover episcopal and other vacancies. Additional archidiaconal support implemented. Continuity of direction via approved strategic framework. Continued oversight via the Bishop's Core Staff Team (BCST).

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Lack of consistent documented procedures, inconsistent record keeping of decision making.	Written procedures for key processes. Delegation of authority to be reviewed/updated.
Risk that budget does not match key objectives and priorities. Inaccurate/incomplete financial projections and reporting. Inaccurate mapping of income and expenditure.	Financial updates for key committee meetings enabling decisions to be made with accurate information. Reinstatement of regular management accounts for budget holders, following transfer of financial systems. Cash flow projections in place to ensure sufficient liquidity. Long-term financial strategy under development.
Insufficient income to meet cost of ministry and strategic aims, dependence on limited income sources (Parish Share, investment income).	Investment portfolio actively managed. Ongoing monitoring of Parish Share collection rates by DBF finance team and the Diocesan Finance Group (DFG), early intervention for any potential issues highlighted. Financial statements to parishes being reinstated following transfer of financial systems, increasing communication with parish and deanery treasurers.
Impact of maintaining church buildings (missional, financial).	Ongoing development of deanery plans. Support provided from Church Buildings Team. DBF and other grant funding available. National funding secured for additional Church Buildings Support Officer role. Provision for potential closure of church buildings looked at within long-term financial strategy.
Wider economic and political situation, impact on finances and wellbeing.	Sources of help promoted to parishes (DBF grant funding, Benefact Trust etc). Ongoing monitoring of wider situation and potential impact. Long-term financial strategy under development.
Impact of outworking of Living in Love and Faith/Prayers of Love and Faith process.	Ongoing monitoring and communication, particularly by the Archdeacons and BCST.
Potential impact of serious safeguarding incident.	Safeguarding strategy and training programme in place, managed by the Diocesan Safeguarding Team (DST). Additional resources provided to increase DST capacity. Action plan in place for Past Case Review 2 (PCR2) outcome. Safeguarding dashboard made available to parishes without cost. Diocesan Operational Safeguarding Team (DOST) ongoing review. Diocesan Safeguarding Scrutiny Group (DSSG) provide external scrutiny and support.

1.3 ACHIEVEMENTS AND PERFORMANCE

Our achievements and performance are guided by our vision for Restored Health, New Growth, and Renewed Relationships. In 2023, we saw the first iteration of 'Our Shared Future,' our strategic framework, come into effect. This meant that all our efforts were aligned with a vision, prompting the DBF to be more intentional in both the existing support we offer and our innovative activities. While ongoing improvement and review are inherent to our organisation, we are pleased to be able to document our achievements throughout 2023.

Restored Health

Healthy Churches

Continued Churchwarden training sessions and the expansion of our training and resources catalogue on the Equip Hub are strengthening churches and empowering volunteers and lay leaders. We introduced an HR support package for parishes to alleviate the pressure associated with employing staff and workers. 39 churches have been supported with project planning and building developments, submitting grant applications totalling over £288k, of which £242k were approved. A Church Building Strategy Working Group was established to develop a strategy for managing our older buildings and addressing necessary repairs, thereby relieving some of the burden on our Clergy in

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managing these properties. Buildings for Mission funding was secured from the National Church resulting in an increased repairs fund. There was also continued engagement of churches in Natural Church Development (NCD) surveys, with 15 churches developing fresh plans, with some using metaphor and art to creatively explore healthy church concepts. Research by way of the Volunteer Innovation Project was also commissioned, with the report due in 2024.

Healthy Communities

The diocese continued to work with its chief community transformation partner, Together for Change (TfC), which celebrated its 10th year in 2023. A bid to the Social Fabric Fund to establish a Saints venue at Barr Pool, Nuneaton, was made, while TfC was able to purchase the Saints Nuneaton building and begin tendering for phase two building works. Saints continue to have a positive impact on local families providing support over the Christmas period. Staff from the established Fresh Start project were transferred to St. Peter's Hillfields.

Throughout the colder months, some of our partner funds from the Church Commissioners and Aviva were distributed to establish and run Warm Hubs. Wyken's warm welcome was even able to continue supporting the community beyond winter.

A significant amount of organic work serving and supporting our communities was also carried out in parishes across the diocese in 2023. In Tile Hill, residents living in a derelict tower block were moved to new, safer homes with support from our local priest. Studley Parish Church continued to run a dementia café, while St. Edmund's Shipston took worship into care homes. Further parish activity has transformed a derelict site in Stoke Aldermoor into St. Catherine's Community Garden. Additionally, the Blue Roof Coffee van continued to be a connection point for local people as it celebrated one year of serving the Chapelfields community. Many of these projects were supported with funding from the Diocesan Mission Fund, which helps to establish missional and pioneering work across the diocese.



Healthy People

The Clergy Wellbeing group continued to meet and discern the findings from the Clergy Wellbeing survey, including providing signposting to sources of support, both financial and wellbeing. Additionally, the ongoing programme of clergy housing refurbishment was maintained. 2023 saw the establishment and training of mental health supporters among diocesan staff, who went on to deliver training. A new HR system was implemented, and an employee wellbeing package was collated.

The early part of the year initiated a diocesan-wide listening phase via several vehicles, chief among them a parish needs survey. A report was produced with four major findings, which helped shape the 2024 work plans. The year also saw the safeguarding team launch the latest national training requirement, 'Raising awareness of domestic abuse', celebration of St. Paul's Leamington's one-year anniversary of its wellbeing café and production of articles supporting mental health awareness continued to support our aim of healthy people.

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New Growth

Growing new worshipping communities

A New Worshipping Community Taster Day was hosted in the Autumn with over 50 attendees as we move towards the goal of establishing 150 new worshipping communities in the diocese. Positive developments from Urban Plants include repaired community relationships, bilingual services at St. Peter's Hillfields, and many baptisms and confirmations. Learning communities such as Myriad for lay leaders and Greenhouse are being established in support of leaders of NWC. There was also exploration of alternative worshipping community ideas, such as Forest Church, Lego Church, and Chocolate Church!



Children, Families and Young People

The highlight event of 2023 was Alive, which gathered over 8,000 children from church schools for a praise party and picnic, inspiring numerous 'Staying Alive' activities in schools and churches. The Urban Plants continued to flourish, with initiatives like messy church in Bedworth regularly seeing 50 children and youth support at The Church of the Risen Christ, Wyken where milkshakes or hot chocolates are enjoyed by scores of young people. The diocese has appointed a Growing Faith Enabler to support children and young people outwork their faith in schools, homes and churches. Whilst the DBF and Diocesan Board of Education (DBE) are also exploring new worshipping communities that are rooted in schools reflecting the huge potential in this area.



Growing Leaders

2023 saw the development of five new lay training pathways, along with lay ministry conferences and retreats as well as significant updates to the Equip Hub online leadership training platform. Recruitment of a new leader for one of our leadership pipelines St. Mark's Academy was successful. We saw the ordination of 13 new priests and 11 new deacons, and involvement of individuals in the discernment process and training programme. 25 Readers were also relicensed with 2 Readers being transferred into the diocese and 1 new Reader licensed.



We also asked the diocese 'What is a vocation?' on our communication platforms and shared training including, 'Hearing your calling' to encourage the wider gift of ministry in the church.

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Renewed Relationships

Renewing our relationship with Each Other

At a time of great difference and challenge within the Church of England, the diocese continued to embody its charism of reconciliation and its strategic commitment to seeing God's church love one another better. Our Reconciliation Enabler was a regular voice in the diocese, even facilitating some sessions as the diocese worked through the Living in Love and Faith process. The diocese continues to highlight inspirational stories from its past, such as Building a Bridge of Love in a Time of War, The Story of the Cross of Nails, and "Enemy's Love" – a love that crosses boundaries.

Good work has continued around racial awareness, and the online version of the 'Amazing Grace' racial justice course was well attended and well received. Saluting Our Sisters was an exhibition held at All Saints, Leamington, which celebrated the important contribution that black women have made to society. Additionally, the winner of the racial justice logo competition was announced, further profiling the need for racial justice while also engaging our younger generations.



Renewing Our Relationship with Generosity:

Plans for 2023 encountered an early setback, and the DBF was not as successful as hoped with this aspect of the vision. The major factor was that our Generous Giving Advisor, appointed in early 2023, did not stay in the post for very long, and we were unsuccessful in recruiting a replacement. Despite not being able to achieve all that was planned, the DBF remained intentional about renewing our relationship with generosity by promoting the Living Generously course. In partnership with churches, an overarching strategy and resources for renewing generosity are being developed.

Our churches responded to the energy and cost-of-living crisis with a large number of community activities, some of which are outlined in the 'Healthy Communities' section. Support for clergy and churches was offered through hardship and energy grants as the costs for heating homes and churches increased. Following feedback received in our listening exercise and from deanery treasurers, the DBF has also committed to communicating diocesan finances with more clarity.

Renewing Our Relationship with the Environment:

Recruitment of a Net Zero Carbon Project Officer and approval of a Net Zero action plan by Diocesan Synod further underlined our commitment to the environment this year.

A Clergy housing study was undertaken and houses were identified for pilot energy efficiency improvements. £155k has been allocated in Church Improvement Fund and Net Zero grants to parishes for energy efficiency projects such as the installation of heat pumps, insulation improvements and solar panel installation. Coventry Cathedral celebrated Earth Day as we continued to profile our desire to renew our relationship with our environment.



We also continued to raise awareness of this strategic priority and the climate crisis more widely with various articles and signposting across our communication platforms. Articles included, 'How individuals can do their bit to support the environment' and 'Why Christians should be leading the way to protect the planet'.

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1.4 SUMMARY OF FINANCIAL PERFORMANCE

The financial result for 2023 was a deficit before investment gains of £1.3m (2022: deficit £0.9m). This was offset by both the release of £2.8m (2022: £2.4m) of unallocated historic funds (in line with the Diocesan Synod approval in November 2022) and investment revaluations gains of £3.6m (2022: loss of £4.5m) leading to an overall increase in total funds for the year of £2.3m (2022: reduction £5.2m). Total funds at the end of the year were £96.4m (2022: £94.1m).

As noted above, the policy of realising amounts from unallocated total return continued this year at a value of £2.8 million. The release is made by way of a transfer from Endowment Funds and to date transfers made have been in 2021: £2.1m, 2022: £2.4m and 2023: £2.8m. Actual drawdowns from these transfers amounted to £1million during the 2023 financial year.

Income during the year, before the release of historic funds, was £10.3m (£11.1m in 2022.) Although parish share income increased from £4.8m to £5.1m in the period this was more than offset by reductions in receipts from church commissioners and other grants and donations. These movements are detailed in note 4.

Total expenditure in 2023 was £11.7m, a reduction of £0.4m compared to expenditure of £12.1m in 2022 as detailed in Note 5.

The cost of mission and ministry reduced by 3% to £7.1m (2022: £7.3m) with lower expenditure on clergy housing costs of £0.4m. These savings were partly offset by higher curate stipend costs and staff costs. Costs in support of mission and ministry (Note 5c), reduced by 17% to £3m (2022: £3.6m), due to a reduction in grants following a previous significant increase in 2022, as planned missional activity returned to pre-pandemic activity.

The value of Designated Funds increased to £17.1m (2022: £17m). Restricted Funds at the end of the year amounted to £6.1m (2022: £4.6m). This year we received grants from the Church Commissioners including for Lowest Income Community (LINC) funding and Ordination training. Grants were also received for Urban planting, Net Zero and Serving Christ programmes. More information is set out in note 16.

The Endowment Funds (Note 16 to the Financial Statements) were valued at £70.9m at the end of the year, (2022: £70.9m). The main movements were investment income of £2.4m (2022: £2.4m), gains on revaluation of investment assets of £3.0m (prior year losses 2022: £3.9m), actuarial movements on the Church of England Clergy Pension scheme of nil (2022: £203,000) and release of £5.1m of Endowment Funds (2022: £4.5m). Note 18 explains the full impact of total return on these accounts.

Principal Funding Sources

The principal sources of funding in 2023 came from Parish Share £5.1m, 49% (2022: £4.8m, 43%), investment income of £2.6m, 25% (2022: £2.5m, 22%), from Church Commissioners £1.0m, 10%, (2022: £1.3m, 12%) and £1.6m, 16% from other sources (2022: £2.5m 23%). Other sources of income include parochial fees from weddings and funerals, rental income from the letting of houses whilst not occupied by clergy, restricted income from The King Henry VIII Endowed Trust (used to meet costs in the Warwick area) and various other grants and donations.

Parish Share

Total parish share income received was £5.1m (2022: £4.8m). This includes amounts received that related to parish share allocated for previous years of £0.25m, but excluded amounts received after the 31 December 2023 cut-off date. We are working with Deaneries to improve communication and encourage positive dialogue where there are difficulties in meeting obligations. No Parish Share relief was given during the year.

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The Diocese has continued to promote the Parish Giving Scheme, a direct debit scheme that encourages individual church members to review their giving regularly and also provides an efficient way for parishes to receive Gift Aid on gifts received.

Investment Income

Total investment income was £2.6m (2022: £2.5m) and derived mainly from equities and Glebe assets. After allowing for Glebe management fees and other Glebe operating costs, net investment income was £2.2m (2022: £2.3m). Other investment income, which includes interest and other property income increased to £102k (2022: £32k).

In 2023 total return performance (gross) for investment funds in which the DBF is invested was as follows:

CCLA's CBF Church of England Investment Fund: +12.57% (2022:- 9.16%)

This is against a benchmark of long-term total return of inflation (CPI) plus 5% per annum before costs. In 2023, this benchmark was +8.93%.

As at 31 December 2023 the DBF held £1,726,498 in the CBF Deposit Fund.

Investment objectives and investments held

The DBF's investment objective, with respect to amounts available for investment, is to safeguard capital values in real terms over the long term and to provide real growth in net income, whilst complying with the Church of England Ethical Investment Policy.

Investments are principally held in Glebe properties and in investment funds. The investment funds are managed by CCLA Investment Management Limited and are diversified funds for charities, invested mainly in equities, but also in fixed interest securities, property and other assets. There are no holdings in fossil fuels. Glebe investment properties comprise agricultural, commercial and residential land and buildings.

The total value of investments shown on the Balance Sheet at 31 December 2023 was £72.4m (2022: £68.8m) of which £64.7m (2022: £64.7m) was permanent endowment (Note 12 and Note 16).

Following the approval of a Total Return approach to investments in the Diocesan Stipends Fund, and a further subsequent discussion at Bishop's Council, the trustees agreed that historic unapplied return of £2.8m (2022: £2.4m), plus the income investment returns that would ordinarily be recognised in the 2022 accounts if total return had not been adopted, would be recognised as income in the 2023 accounts.

Stipendiary clergy headcount

The full time equivalent (FTE) number of office holders in the Diocese who were stipendiary clergy in 2023 was 111 (2022: 108), which includes two Archdeacons. The average number of curates was 28 (2022: 24.5) reflecting the diocese's commitment to increase the intake of clergy over the coming years.

House for Duty Clergy, Self-Supporting Ministry and volunteers

Whilst acknowledging that many of our self-supporting ministers are office holders and living in their own houses, there are office holders that the DBF provide with houses. In 2023 there were 12 (2022: 7).

The activities of the Church of England across the Diocese of Coventry depend hugely on the generosity of our retired clergy, self-supporting ministers, Readers and lay ministers. The value of this

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time, to the Diocese as a whole and in particular to the DBF, cannot be quantified and recognised in the financial statements. The DBF is grateful to all those whose contribution is essential to the mission of the whole Diocese.

Pension schemes

All stipendiary clergy in the Diocese, some clergy employed in central diocesan posts and some licensed lay workers are members of the defined benefit Church of England clergy pension scheme. The contribution to this scheme in 2023 was £7,127 (2022: £9,342) per full time stipendiary clergy member. If they are not members of the clergy pension scheme, the DBF's permanent staff are members of the Church Workers Pension Fund. Further details of both Schemes are in note 2 to the Financial Statements. DBF staff employed on temporary or short-term contracts, who have qualifying earnings or the right to opt in, are enrolled in the National Employment Savings Trust (NEST - the workplace pension scheme set up by government).

Reserves policy and the General Fund position at the year end

The funds held by the DBF at 31 December 2023 comprise the following:

Endowment funds totalling £70.9m. This amount includes expendable endowment of £6.2m relating to the Parsonages Housing Fund and permanent endowments of £64.7m. The permanent endowment includes £63.8m relating to the Diocesan Stipends Fund of which £38.9m is unapplied total return. The Trustees can apply the unapplied total return to the Diocesan Stipends Fund Income Account, to use for the restricted purpose of payment of clergy stipends, houses and the management and maintenance of Glebe property.

Restricted Funds totalling £6.1m to be spent in accordance with the donor's wishes.

Unrestricted funds of £19.4m, which includes £17.2m of designated funds that relate substantially to operational properties and are therefore illiquid.

The objective of the DBF's reserves policy is to ensure adequate working capital resources. During 2023, the policy was to ensure the General Fund remained within a range equivalent to two and a half to three and a half months' worth of operating costs, as approved by Diocesan Synod for the ensuing year. This policy has been reviewed and has been left unchanged.

Diocesan Synod approved a maximum sum to be spent from operating funds in 2024 £12.5m (2023 £12.1m). The balance in the General Fund at 31 December 2023 was £2.3m which represents approximately 2.3 months of planned spending and is therefore marginally below the bottom of the policy target range.

1.5 PLANS FOR THE FUTURE and FUTURE COMMITMENTS

In late 2023, the Bishop's Council received an updated *Our Shared Future* document. It was developed and refined after the period of listening and discernment that took place throughout early 2023. This included a parish needs survey and feedback through the Archdeacons' Articles of Enquiry. From this listening we heard about the challenges and opportunities across the Diocese. These included, for example: the significant opportunity for ministry and mission with children, young people and families; the desire for more leadership development and volunteer training; the increasing impact of church building management on clergy and volunteers; and the growing need for specialist support for parishes.

Our mission purpose and the Bishop's vision remains the same, but the document now reflects what we have heard from parishes, clergy and others. It draws together the strands of our core work and key commitments and sets the direction to realise the vision for our diocese.

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It contains six key priorities

- Our Parishes/Benefices are Healthy Churches fostering healthy communities
- Accessible worship and church communities for all in a mixed ecology of tradition and style
- Growth in children, families and young people on a faith journey
- Growing numbers of leaders equipped for mission focused ministry
- The Cathedral, churches and individuals living out the ministry of reconciliation
- Responsible stewardship of God's creation

We have also identified seven distinct workstreams to resource our missional growth, including

- Healthy Churches - promoting the essential qualities of church health
- Healthy Communities - meeting social, spiritual and practical needs of those we serve
- New Worshipping Communities - reaching out to those who are missing
- Children, Young People and Families - inviting them to come on a faith journey
- Growing Leaders - enabling and equipping both new and current leaders
- Renewing the Environment - caring for creation, both locally and globally
- Loving One Another - being a reconciling presence in the heart of our communities

With three underpinning strategies

- Healthy people – nurturing the wellbeing of everyone who serves the work of the Diocese
- Renewing generosity – supporting others with our time, talents and money
- Parish support – appropriate and relevant areas of support for mission

Going forward we will be seeking significant National Church investment and partnership during this strategic period and have aligned our plans to the Church of England's [three priorities and six bold outcomes](#), while keeping the Diocese of Coventry-specific priorities.

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SECTION 2: GOVERNANCE REPORT

2.1 COMPANY LEGAL STATUS

The DBF was incorporated on 12 October 1936 as a charitable company (No. 319482) limited by membership guarantees and its governing documents are the Memorandum and Articles of Association. The DBF is registered with the Charity Commission (No. 247828). The DBF has also been designated as the Parsonages Board for the Diocese of Coventry under the Repair of Benefice Buildings Measure 1972.

2.2 DIOCESAN SYNOD AND DBF MEMBERSHIP

The Diocese is governed in accordance with the Synodical Government Measure 1969, under which its governing body is the Diocesan Synod. Every Diocesan Synod member is a member of the DBF for company law purposes and has a personal liability limited to £1 under their guarantee as company members in the event of it being wound up.

The Diocesan Synod is made up of three Houses:-

House of Bishops: the Acting Bishop of Coventry (President of the Diocesan Synod) and the Bishop of Warwick (post currently vacant).

House of Clergy: 40 members, including the Chair of the House and six ex-officio members (the Dean of Coventry, two Archdeacons, and the three diocesan clergy General Synod members). The remainder were elected by the houses of clergy of Deanery Synods.

House of Laity: 47 members, including the Chair of the House and six ex-officio members (the Diocesan Chancellor, the Chair of the Board of Finance, the Chair of the Board of Education and the three diocesan lay General Synod members. One member was nominated by the Bishop of Coventry (President of the Mothers' Union). The remainder were elected by the houses of laity of Deanery Synods.

Elected and nominated members of the Diocesan Synod hold office for a term of three years. The current term of office runs from 1 August 2021 to 31 July 2024.

The Diocesan Synod normally meets three times a year and its functions are to:

- Consider matters affecting the Church of England in the Diocese
- Act as a forum for debate of Christian opinion on matters of religious or public interest
- Advise the Bishop where requested
- Deal with matters referred by General Synod
- Consider the annual accounts of the DBF
- Consider and approve the DBF's annual budget

Diocesan Synod governs itself through Standing Orders, which were approved by Diocesan Synod on 19 July 2000, and amended on 14 March 2009. Through the Standing Orders, many of Diocesan Synod's responsibilities have been delegated to its Standing Committee, the Bishop's Council.

2.3 BISHOP'S COUNCIL AND THE TRUSTEES AND DIRECTORS OF THE DBF

The Bishop's Council is the senior committee of the Diocese. Under the Standing Orders of the Diocesan Synod its members have a number of concurrent roles. They are the members of the Standing Committee of Diocesan Synod, the trustees of the Charity for the purposes of charity law, the directors of the DBF for the purposes of company law, and the members of the Diocesan Mission and Pastoral Committee.

As the Standing Committee of the Diocesan Synod, the Bishop's Council is responsible for:

- Planning the business of the Synod and circulating the agenda and supporting papers for its

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sessions – this function is delegated to the Business Committee.

- Initiating proposals for action by the Synod and advising it on matters of policy.
- Advising the President (the Diocesan Bishop) on any matter.
- Transacting the business of the Synod when not in session.
- Appoints members of committees and nominating individuals for election to committees.
- Carrying out such functions as the Synod may delegate to it.

As the Diocesan Mission and Pastoral Committee (DMPC) and in consultation with the eleven Deanery Mission and Pastoral Committees, the Bishop's Council:

- Advises the Bishop of Coventry on the deployment of clergy within the Diocese.
- Considers and authorises pastoral schemes.

As the Trustees and Directors of the DBF, the Bishop's Council:

- Takes responsibility for the activities of the DBF, including financial accountability as set out below.
- Manages funds and property held centrally in the Diocese.
- Prepares an annual budget for consideration and approval by Diocesan Synod, with estimates of expenditure and the income needed to finance that expenditure.
- Monitors income and expenditure against estimates in the budget approved by Diocesan Synod.
- Advises the Diocesan Synod on financial aspects of its policies and on any other matters referred to it.
- Oversees the preparation of annual financial statements as set out below, and approves such statements once prepared.

Financial accountability responsibilities of Bishop's Council members as trustees and directors

The trustees of the DBF, who are also the directors of the DBF for the purposes of company law, are responsible for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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Membership of the Bishop's Council

The membership of the Bishop's Council is comprised of a maximum of 32 members as follows:

- 8 ex officio members
- 15 members elected by the Diocesan Synod (seven clergy and eight lay, in both cases with a minimum of two from each archdeaconry)
- up to 6 nominated members (three may be nominated by the Bishop of Coventry and one may be nominated by each of the Diocesan Advisory Committee, the Parsonages Committee and the Diocesan Board of Education)
- up to 3 members co-opted by the Bishop's Council.

The Chair of the DBF, one of the ex officio members of Bishop's Council, is nominated by the Bishop of Coventry and appointed by Diocesan Synod. During 2023, the Bishop's Council met five times as Bishop's Council and board of trustees and directors. The term of office of the members of Bishop's Council (excluding ex officio members) lasts for three years. Their term will end in 2024, upon the election of their successors.

During the year the members of Bishop's Council were as follows:

EX-OFFICIO

President	The Rt Revd Dr Christopher Cocksworth – <i>to 5 Nov 2023</i>
Acting President	The Rt Revd Ruth Worsley – <i>from 6 Nov 2023</i>
Bishop of Warwick	The Rt Revd John Stroyan – <i>to 7 Aug 2023</i>
	The Rt Revd Saju Muthalaly – <i>from 6 Nov 2023</i>
Archdeacon Pastor	The Ven Sue Field – <i>to 4 April 2023</i>
Acting Archdeacon Pastor	The Revd Tim Cockell – <i>from 3 July 2023</i>
Archdeacon Missioner	The Ven Barry Dugmore
Dean of Coventry	The Very Revd John Witcombe
Chair of the House of Clergy	The Revd Claire McArthur
Chair of the House of Laity	Phil Swards
Chair of the DBF	Simon Danks – <i>to 5 Sept 2023</i>
Interim Chair of the DBF	Chris Baker – <i>from 5 Sept 2023 to 31 Dec 2023</i>

NOMINATED MEMBERS

Nominated by DAC	The Revd Peter Walker – <i>to 19 June 2023</i>
Nominated by Parsonages Cmte	The Revd Peter Walker – <i>to 19 June 2023</i>
Nominated by DBE	Chris Edwards – <i>to 10 Sept 2023</i>
Nominated by DBE	The Revd April Gold – <i>from 10 Sept 2023</i>

BISHOP'S NOMINEES

The Revd Kate Massey – *to 15 Sept 2023*
The Revd Dr Anita Morgan – *from 15 Sept 2023*
The Revd Esther Peers – *from 15 Sept 2023*
Emili Lowery

ELECTED CLERGY

The Revd Andy Batchelor – *from 2 May 2023*
The Revd Kay Dyer
The Revd Alison Evans
The Revd Barry Jackson
The Revd Jonathan Jee
The Revd Stephen Parker
The Revd David Poultney
The Revd Jo Parker – *to 19 Feb 2023*

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT - for the year ended 31 December 2023

ELECTED LAITY

Chris Baker
John Elton – *from 11 April 2023*
Jo King
Ogechi Ngemegwai
Sue Williams
Sarah Mount
Tim Pollard
Marion MacLellan

CO-OPTED MEMBERS

No co-opted members

2.4 COMMITTEE STRUCTURE

There are a number of Diocesan committees which advise the DBF:

- **Business Committee** which considers the content of the agendas for Bishop's Council and the Diocesan Synod.
- **Audit and Risk Committee** which considers the appointment of the auditor, the audit fee, the nature and scope of the audit, reviews the annual financial statements prior to submission to Bishop's Council and keeps under review the systems of internal control and risk management.
- **Diocesan Finance Group (DFG)** which monitors the finances of the DBF and advises Bishop's Council on financial matters, in particular the application of the Deanery Share system and matters relating to the Church Fabric Fund.
 - **Investment Sub-Committee (ISC)** which oversees investment strategy and policy.
- **Conditions of Employment Group (COEG)** which deals with the terms and conditions of employment, including remuneration, of staff employed by the DBF and annual increases to clergy stipends in line with increases in the cost of living, except the Diocesan Secretary (whose terms and conditions of employment, including remuneration, are reviewed by the Chair of the DBF and the Diocesan Bishop).
- **Diocesan Advisory Committee for the Care of Churches (DAC)** which advises on the repair and improvement of places of worship, their contents and churchyards, with a view to the furtherance of the Church's mission and the protection of the nation's heritage.
- **Net Zero Steering Group (NZSG)** which oversees the diocesan response to the Church of England target of achieving net zero carbon by 2030.
- **Diocesan Environment Group (DEG)** which encourages the Diocese in its vocation to care for the earth.
- **Diocesan Mission Fund Committee (DMFC)** which considers matters relating to Diocesan Mission Fund, Church Improvement Fund and Offa House Spirituality Capital grants, making decisions on grants of up to £10,000 and recommendations to Bishop's Council for grants above this level.
- **Glebe Committee** which oversees the management of Diocesan Glebe investments, under the powers laid down in a scheme under the Church Property Measure 2018.
- **Parsonages Committee** which considers policy, repairs and improvements in relation to parsonage houses, under powers laid down in a scheme under the Repair of Benefice Buildings Measure 1972.

2.5 DIOCESAN SECRETARY AND STAFF

The Diocesan Secretary serves as the Secretary to Diocesan Synod and Bishop's Council and as Chief Executive Officer and Company Secretary of the DBF. The Diocesan Secretary and her staff carry out the day-to-day work of the DBF. They consult regularly with the Chair of the DBF and the various diocesan committees. Whilst senior staff have job titles incorporating the word 'Director' they are not directors of the company for the purposes of company law or trustees of the charity for the purposes of charity law. For information relating to staff headcount and costs, see note 10 to the financial

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT - for the year ended 31 December 2023

statements. Jacqueline Ladds has been Diocesan Secretary and CEO since her appointment on 23 May 2022.

In 2023 there was one staff member employed under joint working arrangements by the Leicester Diocesan Board of Finance (company registered number 227087; registered charity number 249100). This arrangement is regularly reviewed and continues to be an effective method generating economies of scale without detriment to the service provided.

2.6 RELATED PARTIES

Coventry Diocesan Trustees (Registered)

The Coventry Diocesan Trustees (Registered), registered charity number 249165, is the Diocesan Authority under the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964. The Trust is the custodian trustee holding property and funds on behalf of PCCs and the DBF.

Coventry Diocesan Board of Education

Coventry Diocesan Board of Education (the DBE – a company registered in England and Wales no. 3663851 and a registered charity no. 1091145) is a statutory body established under the Diocesan Boards of Education Measure 1991, responsible to Diocesan Synod. Its functions under this measure principally relate to the promotion or assistance in the promotion of education in the Diocese, which is consistent with the faith and practice of the Church of England and therefore consistent with the objectives of the DBF.

2.7 OTHER GOVERNANCE MATTERS

Charity Governance Code and Governance Review

The DBF began work on a governance review during 2023, with the aim of ensuring that the organisation has an effective and efficient governance framework in place in order to continue to fulfil our statutory obligations and enable us to work towards our identified priorities. During 2023 a process of discovery and engagement took place including a desktop review and committee reflective sessions, led by a Governance Review Working Group. The review has drawn upon the Charity Governance Code as a tool to support continuous improvement. The review will continue into 2024, where decisions on the proposed revisions will be put to the Trustees. A Governance Handbook will be created which will further develop the training and induction for trustees, committee chairs and committee members.

Risk management

The trustees confirm that the risks to which the DBF is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures to manage those and other identified risks have been established and reviewed. The trustees review the risk register at least annually and receive updates at each trustee meeting. The trustees delegate to the DBF leadership team day to day management of the risks the DBF is exposed to. In addition, the Audit & Risk Committee review the risk management processes and the risk register regularly, and reports to the trustees on whether it is satisfied with its findings. Recommendations are made as a result of those findings.

The principal risks identified are shown in Section 1.2 of this report.

Valuation of properties in the financial statements

Investment properties are stated in the balance sheet at fair value. All non-investment properties - parsonage houses, operational properties, houses for clergy held in Glebe and the diocesan offices – are freehold properties and are stated in the balance sheet at cost. In the opinion of the trustees the fair value of these non-investment properties is substantially in excess of cost, but the amount of this excess is not economically quantifiable.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT - for the year ended 31 December 2023

Auditor

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees and directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

A resolution to reappoint Crowe LLP as auditor to the company and to authorise the Board of Directors to fix the auditor's remuneration will be proposed at the Annual General Meeting.

2.8 REFERENCE AND ADMINISTRATIVE DETAILS

<i>Registered & Principal Office</i>	Diocesan Offices, 1 Hill Top, Coventry, CV1 5AB
<i>Telephone</i>	024 7652 1200
<i>Website</i>	www.coventry.anglican.org
<i>Company registration number</i>	319482 (England and Wales)
<i>Charity registration number</i>	247828 (England)
<i>Company Secretary</i>	Jacqueline Ladds
<i>Registrar and solicitors</i>	Jenny Dymond – Diocesan Registrar Geoffrey Cotterill – <i>deputy Diocesan Registrar from 25 June 2023</i> Rotherham & Co 8 & 9 The Quadrant, Coventry, CV1 2EG
<i>Auditor</i>	Crowe UK LLP Black Country House, Rounds Green Road, Oldbury, B69 2DG
<i>Bankers</i>	Bank of Scotland Pentland House, 8 Lochside Avenue, Edinburgh, EH12 9DJ
<i>Diocesan Surveyors</i>	Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Glebe Agent</i>	Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Insurers</i>	Ecclesiastical Insurance Office plc Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, GL3 4AW
<i>Investment Managers</i>	CCLA Investment Management Ltd One Angel Lane, London, EC4R 3AB

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT - for the year ended 31 December 2023

SECTION 3: DIRECTORS' AND TRUSTEES' REPORT APPROVAL

This Trustees' and Directors' Report, including both the Strategic Report and the Governance Report, is approved by the trustees, by whose authority it is signed as below.

A handwritten signature in black ink that reads "Steve Coomber". The signature is written in a cursive, slightly informal style.

Mr Steve Coomber

Chair of Coventry Diocesan Board of Finance Limited

3 June 2024

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

Opinion

We have audited the financial statements of Coventry Diocesan Board of Finance Limited for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Statement of Cash flows 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 2023 and of 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 trustee's 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic 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

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

- 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 light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper accounting records have not been kept; or
- the 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 set out on page 22, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context for the UK operations were employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing tests over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Kerry Brown | Senior Statutory Auditor

For and on behalf of **Crowe U.K. LLP**

Statutory Auditor

Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG

Date: 22 August 2024

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Income and endowments from:							
Donations							
Parish Share	4a	5,112	-	-	-	5,112	4,777
Church Commissioners	4b	313	-	703	-	1,016	1,285
Other grants and donations	4c	131	-	653	-	784	1,166
Charges for charitable activities	4d	283	-	-	-	283	391
Other trading activities	4e	406	1	-	-	407	611
Investments income	4f	195	2	19	2,357	2,573	2,541
Surplus on sale of assets	4g	-	151	-	-	151	364
Total		6,440	154	1,375	2,357	10,326	11,135
Expenditure on:							
Raising funds	5a	292	-	-	224	516	513
Charitable activities							
Mission and ministry	5b	3,501	-	3,563	-	7,064	7,273
Support for mission and ministry	5c	2,294	300	415	-	3,009	3,607
Contributions to Archbishop's	5d	370	-	312	-	682	508
Council							
Diocesan Board of Education	5e	232	-	-	-	232	155
Other	5f	1	141	7	-	149	-
Total		6,690	441	4,297	224	11,652	12,056
Net income before investment gains		(250)	(287)	(2,922)	2,133	(1,326)	(921)
Net gains on investments:							
Net (losses)/gains on revaluation	12	582	11	21	2,999	3,613	(4,525)
Net income		332	(276)	(2,901)	5,132	2,287	(5,446)
Transfers between funds	19	291	417	4,384	(5,092)	-	-
Other recognised gains:							
Actuarial gains/(losses) on defined benefit pension scheme	2	-	-	-	-	-	203
Net movement in funds		623	141	1,483	40	2,287	(5,243)
Reconciliation of funds							
Funds at 1 January	16	1,660	17,015	4,586	70,835	94,096	99,339
Net movement in funds		623	141	1,483	40	2,287	(5,243)
Funds at 31 December	16	2,283	17,156	6,069	70,875	96,383	94,096

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

INCOME AND EXPENDITURE ACCOUNT RESTATED

	2023 Total £000s	2022 Total £000s
Total income	7,969	8,706
Total expenditure	11,428	11,854
	(3,459)	(3,148)
Net gains on investments	614	(461)
Net income/(deficit) for the year before transfers	(2,845)	(3,609)
Transfer from endowment funds	5,092	4,542
Net income for the year after transfers	2,247	933

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.

This year we have shown the unapplied total return and the investment income as a transfer from the endowment fund to general funds. We have restated the presentation of the 2022 figures to be consistent. There is no change to the value of total funds nor their constituent elements.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

BALANCE SHEET

	Notes	2023 £000s	2022 £000s
FIXED ASSETS			
Tangible fixed assets	11	19,494	19,244
Fixed asset investments	12	72,438	68,825
		91,932	88,069
CURRENT ASSETS			
Debtors	13	2,440	2,632
Cash and cash equivalents		3,582	5,096
		6,022	7,728
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	14	(1,571)	(1,701)
NET CURRENT ASSETS		4,451	6,027
TOTAL ASSETS LESS CURRENT LIABILITIES		96,383	94,096
NET ASSETS	20	96,383	94,096
FUNDS			
Unrestricted funds:			
General Fund	16	2,283	1,660
Designated funds	16	17,156	17,015
		19,438	18,675
Restricted funds	16	6,069	4,586
Endowment funds	16	70,875	70,835
TOTAL FUNDS		96,383	94,096

The financial statements on pages 24 to 52 were approved by the Board of Directors and authorised for issue on and are signed on its behalf by:



Mr Steve Coomber

Chair of Coventry Diocesan Board of Finance Limited
3 June 2024

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

CASH FLOW STATEMENT

	2023 £000s	2022 £000s
Cash flows from operating activities:		
Net cash generated by operating activities	(1,390)	(1,264)
Cash flows from investing activities:		
Proceeds from sale of fixed asset properties	388	788
Purchase of fixed assets	(512)	(1,383)
Proceeds from sale of investments	-	6,792
Purchase of investments	-	(3,789)
Net cash used by investing activities	(124)	2,408
Change in cash and cash equivalents in the year	(1,514)	1,144
Cash and cash equivalents at 1 January	5,096	3,952
Cash and cash equivalents at 31 December	3,582	5,096

	2023 £000s	2022 £000s
Analysis of cash and cash equivalents at 31 December		
Cash in hand	840	1,378
Short term deposits (less than 3 months)	2,742	3,718
Total cash and cash equivalents	3,582	5,096

	2023 £000s	2022 £000s
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movements in funds for the year	2,287	(5,243)
Adjustments for:		
(Gains)/Losses on investments	(3,613)	4,525
Profit on sale of fixed asset properties	(151)	(364)
Depreciation of fixed assets	25	3
Actuarial (gains)/losses on defined benefit pension scheme	-	(203)
Decrease/(Increase)in debtors	192	(476)
Increase/(Decrease) in creditors	(130)	494
Net cash generated by operating activities	(1,390)	(1,264)

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

Basis of accounting

The DBF is a charitable company and a public benefit entity. Therefore, the financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (FRS 102), the Companies Act 2006 and the applicable UK accounting standard (FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland). The financial statements have been prepared under the historical cost convention except that fixed asset investments are included at fair value at the balance sheet date. After making enquiries the trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Going Concern

The Trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Income

Income is included in the Statement of Financial Activities when the charity is legally entitled to it, receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

Parish share income

Parish share income for the year, or for previous years, include amounts received up to the 31 December.

Income from parochial fees

Income from parochial fees is accounted for when received.

Grants (receivable)

Grant income is accounted for when the formal offer of funding is communicated in writing, any conditions related to the entitlement have been met, receipt is probable and the amount can be measured reliably.

Donations, legacies and similar income

Income from legacies is recognised when the DBF has been notified that there is a clear indication of the amount receivable. Donations and similar income are accounted for when received.

Investment income

Investment income is accounted for when receivable. Investment income from Common Investment Funds managed by CCLA Investment Managers Ltd is considered receivable when dividends are declared.

Deferred income

Income is recognised as deferred where the event or rental period to which the income relates occurs beyond the end of the financial period being reported on.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate similar costs under each category of the Statement of Financial Activities.

Grants (payable)

Grants payable, are accounted for either in full or in part, when authorised, when the award of the grant has been specifically communicated to the recipient or when paid if there is no communication to the recipient in advance, and when any condition attaching to the grant is outside the control of the DBF.

Support costs

These costs consist of indirect staff costs, office and IT costs and governance costs. They are allocated to categories of expenditure on the basis of the proportion of staff time spent on each area of activity.

Governance costs

The costs allocated to governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Operating leases

Payments under operating leases are charged against income as incurred.

Investment gains and losses

For investments that are not part of the Diocesan Stipends Fund Capital Account, realised gains or losses are recognised in the Statement of Financial Activities when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at the year end.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

A total return approach has been adopted for the Diocesan Stipends Fund Capital Account. Part of the historic unapplied total return will be allocated to income in the year as determined by the Bishop's Council.

Tangible fixed assets

Parsonage houses, operational properties and the diocesan offices

Parsonage houses, operational properties and the diocesan offices are held at cost or estimated cost. The cost of extensions which enhance the capital value of buildings is capitalised.

For parsonage houses, the legal title and right to beneficial occupation are vested in the incumbent, whereas the DBF is responsible for the maintenance and repair of such properties and can determine their subsequent use or sale. FRS 102 requires accounting treatments to follow the substance of arrangements rather than their strict legal form. Accordingly, parsonage houses are capitalised as tangible fixed assets.

Operational properties are houses owned by the DBF for occupation by stipendiary clergy and House for Duty priests.

The Diocesan Offices are at 7 Priory Row, Coventry (which shares the postal address of 1 Hill Top, Coventry, CV1 5AB).

Depreciation

Depreciation is not provided on land and buildings as any annual or accumulated depreciation would not be material. This is due to the long estimated remaining useful economic lives and because the estimated residual values are not materially less than their carrying values and the buildings are unlikely to suffer from obsolescence. Disposals of buildings occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying values. The DBF has a policy of regular inspection, repair and maintenance of buildings, charges for which are included in expenditure in the Statement of Financial Activities.

Depreciation of non-property fixed assets is charged at rates estimated to write off their cost less any residual value evenly over the expected useful lives that are as follows:

IT and Telecommunications Equipment	3 years
Computer Software	3 years
Office Furniture and Fittings	5 years

Individual items of office equipment and furniture with a purchase price of £5,000 or less are written off in the year in which the assets are acquired.

Financial instruments

Fixed asset investments

Land and buildings held under the Endowments and Glebe Measure 1976 ("Glebe properties") are included at fair value. Glebe properties which are fixed asset investments are comprised of commercial properties and agricultural properties. Agricultural properties are predominantly land but include some agricultural buildings and residential properties. Glebe properties also include houses for occupation by clergy that are treated as tangible fixed assets.

Unlisted shares in investment funds are included at fair value at the balance sheet date.

Current assets and liabilities

Debtors are measured at the transaction price less any impairment losses. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources. Creditors are measured at the transaction price less any amounts settled. For pension liabilities, see note 2.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with any qualifying institution repayable on demand without more than seven days' notice or penalty.

Pension Schemes – see note 2.

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Fund accounting

The *General Fund* is an unrestricted income fund which receives income available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted income funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes below.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes below.

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

2. Pension schemes' accounting policy and significant estimates and judgements

The DBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other two are for lay staff and are separate sections of the Church Workers Pension Fund – one a final salary scheme and the other a deferred annuity scheme. All three of these schemes are multi-employer defined benefit pension schemes for which the DBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. A valuation of each scheme, to determine future contribution levels, is carried out once every three years and the resulting report and recovery plan for any deficit is required to be completed within fifteen months of the valuation date. On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that formerly contracted-out schemes are required to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. In November 2020, the High Court handed down a further ruling concerning the equalisation of GMPs. This ruling requires Trustees to equalise transfer payments paid from schemes. This exercise will require a check on previous transfers paid and if appropriate pay a top-up transfer payment to the receiving scheme if the GMP element is deemed to be unequal.

Normally the Employer is required to reflect both the backdated and future costs of GMP equalisation arising from this judgment. However, since the DBF participate and are accounting as multi-employer defined benefit pension schemes this is not applicable. Any uplift in liability will be reflected in the financial statements once revised deficit recovery payment plans are issued.

Accounting policy

Where the scheme is in deficit and the DBF is required to make deficit recovery contributions, this obligation is recognised as a liability within creditors in the Balance Sheet. The amount recognised is the sum of the deficit recovery contributions payable, discounted to the net present value. The unwinding of the discount in each year, together with contributions required by the Pensions Board for the benefit in relation to pensionable service in the year, is recognised within expenditure in the Statement of Financial Activities. Changes in the pension liability due to changes in the discount rate used and due to inaccuracies and changes in the actuarial assumptions made by the Pensions Board are recognised as actuarial gains or losses in the Statement of Financial Activities.

The liability and movements in the liability are allocated to the Diocesan Stipends Fund Capital Account, an endowment fund held for investment return for the benefit of the Diocesan Stipends Fund Income Account which is expected to be sufficient to cover the DBF's future deficit recovery contributions. Deficit recovery contributions actually paid in the year are transferred from the Diocesan Stipends Fund Income Account to the Diocesan Stipends Fund Capital Account.

Church of England Funded Pension Scheme (CEFPS)

The template disclosure below was originally prepared by Lane Clark & Peacock LLP ("LCP") for the Church of England Pensions Board. It is based on the final 2021 template disclosure note and LCP's understanding of the

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FRS102 standard in December 2023.

The template caters for Responsible Bodies that participate in the CEFPS and report under FRS102 based on calendar years. Note that any Responsible Bodies that use FRS105 or a "receipts and payments" approach would need to consider the requirements that apply in that case.

The template has been prepared to be helpful to Responsible Bodies but the disclosure is ultimately each Responsible Bodies' responsibility. LCP has no liability to any party other than the Board.

Membership figures for reference

The membership figures that we hold as at December 2022 and December 2023 for Coventry DBF are set out in the table below. These are used as part of the Board's calculation of the deficit contributions in payment at each year-end, which in turn feed into the FRS102 calculations, so are provided here for reference.

	December 2023	December 2022
Number of members at this Responsible Body	128	134

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

Each participating Responsible Body in the Church of England Funded Pensions 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. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £872,000 in 2023 (2022: £1,121,000), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2022: £0).

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 from 2013 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

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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	2022
Balance sheet liability at 1 January	0	203,000
Deficit contribution paid	0	-125,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	-78,000
Balance sheet liability at 31 December	0	0

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. 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, Coventry DBF could become responsible for paying a share of that failed Responsible Body's pension liabilities.

Church Workers Pension Fund (CWPF) - Defined Benefits Scheme

Coventry DBF (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

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

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

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

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The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. There is one joint worker employed by Leicester Diocesan Board of Finance who is an active member of the Church Workers Pension Fund.

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

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

The next actuarial valuation 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 expenses of £1,300 per year.

The movement in the provision is set out below:

	2023	2022
Balance sheet liability at 1 January	0	11,000
Deficit contribution paid	0	-19,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability*(recognised in SoFA)	0	8,000
Balance sheet liability at 31 December	0	0

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

Where relevant 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.

Church Workers Pension Fund

This scheme is administered by the Church of England Pensions Board, which holds the assets separately to those of the participating employers. There are two sections, the Defined Benefits Scheme, and the Pension Builder Scheme which has two subsections; a deferred annuity section known as Pension Builder Classic, and a cash balance section known as Pension Builder 2014 both of which are defined benefit schemes. Pension Builder Classic provides a pension accumulated from contributions paid and converted into a deferred annuity during employment. Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account plus any bonuses is payable, unreduced from age 65.

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

The 2022 scheme valuation results are due to be signed off in 2024 and the current plan is to secure all benefits through insurance contracts called buy ins during the next year followed thereafter by a buy- out. At this point

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responsibility for administering and paying everyone's pension passes to the insurer and our liability will end.

Our latest valuation report shows a surplus of £287,100. This does not reflect the buy in costs and other uncertainties. After reserving for those uncertainties, the actuaries have calculated we have a usable surplus of £139,000 which is held on the balance sheet at the year end. This surplus will be used to offset against employer PB classic contributions for a period of approximately 12 months. Employee contributions will be collected as usual.

Valuation of glebe assets

Following a period of considerable economic turbulence in 2022 and 2023, and as the UK is in a period of 0.5% growth with anticipated growth for 2024 to be at 0.7% with mean inflation at 6%. However, the Bank of England (BOE) are predicting inflation is unlikely to rise much further, currently at 4%, and will fall in this year, although remaining well above the 2% target set by the BOE. The current interest rate of 5.25% is predicted to decrease to nearer 4.5% in 2024, as inflation appears to be falling.

The benefit of good quality tenants on established leases, in well-maintained premises is likely to prove beneficial to investor Landlords during the next two to three years. The outlook for 2024 is positive, with growth expected to be 0.7%, but uncertain. UK elections in 2024 is likely to fuel the uncertainty.

3. Net Income

	2023 £000s	2022 £000s
Net income is stated after charging/(crediting):		
Auditor's remuneration for the audit	18	18
Depreciation	24	4
Hire of office equipment	4	2
Surplus on disposal of tangible fixed assets	(151)	(364)

4. Analysis of income

a Parish Share

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Parish share received for the current year	4,861				4,861	4,699
Arrears received in respect of previous years	251	-	-	-	251	78
	5,112	-	-	-	5,112	4,777

b Grants from Church Commissioners and Archbishops' Council

This reflects monies from Church Commissioners and Archbishops' Council which are used in the following activities:

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Ministry Division funding of curates	251	-	67	-	318	133
Mission to Lowest Income Communities grant	-	-	468	-	468	412
Ordination Training Grant (see note 17)	-	-	168	-	168	387
Hardship Fund	-	-	-	-	-	309
Contribution to Bishop's Legal costs	62	-	-	-	62	44
	313	-	703	-	1,016	1,285

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c Other grants and donations

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
King Henry VIII Endowed Trust	-	-	190	-	190	227
Benefact Trust	103	-	-	-	103	118
Urban Plant Programme	-	-	167	-	167	1,250
Net Zero Grant	-	-	35	-	35	-
Serving Christ	-	-	222	-	222	(358)
Other grants and similar income	28	-	39	-	67	(71)
	131	-	653	-	784	1,166

d Charges for charitable activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Parochial fees	283	-	-	-	283	391
	283	-	-	-	283	391

e Other trading activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Rental income (non-investment properties)	217	-	-	-	217	200
Recharged payroll costs	144	-	-	-	144	146
Training	1	-	-	-	1	5
DBE (Proceeds of St Barts bungalow)	-	-	-	-	-	141
Sundry income	44	1	-	-	45	119
	406	1	-	-	407	611

f Investments

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Glebe property income	-	-	-	1,410	1,410	1,379
Unlisted securities	110	2	19	930	1,061	1,130
Bank and deposit interest	81	-	-	-	81	15
Other property income	4	-	-	17	21	17
	195	2	19	2,357	2,573	2,541

g Surplus of sale of assets

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Surplus on sale of properties	-	151	-	-	151	364
	-	151	-	-	151	364

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5. Analysis of expenditure

a Raising funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Glebe operating costs	-	-	-	163	163	145
Glebe management fees	-	-	-	61	61	59
Parsonage rental costs	38	-	-	-	38	76
Support costs	254	-	-	-	254	233
	292	-	-	224	516	513

b Mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Clergy stipends costs (see note 9)	74	-	3,536	-	3,610	3,766
Curates stipends costs (see note 9)	981	-	-	-	981	761
Clergy housing	1,612	-	-	-	1,612	2,050
Clergy appointment & retirement costs	136	-	23	-	159	185
Staff and other funded costs	329	-	-	-	329	148
Fees to retired stipendiary clergy	36	-	-	-	36	33
Other clergy diocesan expenses	42	-	-	-	42	81
Support costs	291	-	4	-	295	250
	3,501	-	3,563	-	7,064	7,273

c Support for mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Department costs	137	10	233	-	380	195
Staff and other funded costs	837	31	359	-	1,227	939
Grants (see note 7)	366	257	(180)	-	443	1,607
Churches closed for public worship	17	-	-	-	17	9
Support costs	937	2	2	-	941	857
	2,294	300	415	-	3,009	3,607

d Contributions to Archbishops' Council

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Training for ministry	112	-	312	-	424	249
National Church Responsibilities	135	-	-	-	135	142
Grants and provisions	24	-	-	-	24	20
Mission agencies' pension costs	7	-	-	-	7	10
Retired clergy housing & other costs	92	-	-	-	92	87
Pooling of candidates' costs	-	-	-	-	-	-
	370	-	312	-	682	508

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e Diocesan Board of Education

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
Grants (see note 7)	199	-	-	-	199	127
Support costs	33	-	-	-	33	28
	232	-	-	-	232	155

f Other

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s	2022 Total £000s
DBE (proceeds of St Barts bungalow)	-	141	-	-	141	
Other	1	-	7	-	8	
	1	141	7	-	149	-

6. Analysis and allocation of support costs

	Raising funds £000s	Ministry & mission £000s	Support for ministry & mission £000s	Education £000s	2023 Total £000s	2022 Total £000s
Governance, management & finance						
Staff and other funded costs	143	61	283	32	519	425
Other costs	38	26	145	1	210	307
Office						
Staff and other funded costs	27	169	260	-	456	369
Other costs	47	30	244	-	321	266
	255	286	932	33	1,506	1,368

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7. Grants awarded

	2023 Total £000s	2022 Total £000s
To parishes and other organisations in the Diocese		
<i>Mission and ministry in parishes</i>		
Mission to Lowest Income Communities grants	(231)	320
Diocesan Mission Fund grants to parishes	48	47
Hardship Fund	(170)	391
Bishop's Mission Fund grants to parishes	2	-
Block Grant	40	201
Urban Church Plants	74	37
Strategic Development Fund	-	29
Other grants to parishes	68	44
<i>Church land and buildings</i>		
Church Improvement Fund grants for ten churches (2022: ten churches)	55	30
City Church grants	-	30
Church Fabric Fund grants for four churches (2022: four churches)	92	37
CIF Net Zero grants	105	-
<i>Other organisations in the Diocese</i>		
Coventry Diocesan Board of Education	199	127
Together for Change	33	30
Coventry Cathedral	143	158
	458	1,481
To other institutions		
Syrian Orthodox Christian School	11	-
	11	-
To individuals		
For support of ordinands in ministerial training	147	208
Other grants to clergy and readers	23	44
Lay retreat grants	3	-
	173	252
	642	1,733

Summarised by fund type:

	General Fund £000s	Designated funds £000s	Restricted funds £000s	2023 Total £000s	2022 Total £000s
Support for mission and ministry					
Mission and ministry in parishes	19	5	(193)	(169)	1,069
Church land and buildings	-	252	-	252	97
Other organisations in the Diocese	176	-	-	176	188
Other institutions	-	-	11	11	-
Individuals	171	-	2	173	252
	366	257	(180)	443	1,606
Diocesan Board of Education					
Other organisations in the Diocese	199	-	-	199	127
	199	-	-	199	127
	565	257	(180)	642	1,733

8. Trustees' emoluments and expenses

None of the trustees received any emoluments from the DBF for services performed as directors (2022: £nil).

The parochial clerical members who are trustees of the DBF and the archdeacons are in receipt of a stipend, housing and other payments made to clergy paid by the DBF by virtue of their office. The DBF provides housing for the Suffragan

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Bishop by virtue of their office.

No trustees received travel expenses related to activity as trustees of the DBF (2022: nil). Three trustees received a total of £1,865.15 in the year for travel and other expenses in connection with their membership of the General Synod of the Church of England, membership of which is not connected with their membership of the Board (2022: two and £861). Ten trustees received a total of £477,348.07 in connection with other offices held in the Diocese (2022: Fourteen and £493,192). These amounts were for stipends, accrued pension benefits, housing, expenses and sundry grants for resettlement and ministerial development.

9. Clergy headcount and costs

The average full time equivalent number of stipendiary clergy who were office holders in the Diocese was 111 (2022: 108); this included two (2022: two) archdeacons.

	2023 Total £000s	2022 Total £000s
Stipends	3,497	3,138
Social security costs	291	268
Pension contributions	872	1,121
	4,660	4,527

10. Staff headcount and costs

The Diocese's preferred method for reporting headcount is by an average of full time equivalents.

a Staff numbers based on an average of full time equivalent

	2023	2022
Staff employed directly:		
Mission and ministry	10	11
Support for mission and ministry	20	19
Central support	11	11
	41	41
Staff employed via third parties		
Support for mission and ministry	-	-
Central support	1	2
	42	43

b Staff numbers based on headcount

	2023 Headcount	2022 Headcount
Staff employed directly:		
Mission and ministry	11	12
Support for mission and ministry	22	21
Central support	13	13
	46	47
Staff employed via third parties		
Support for mission and ministry	-	-
Central support	1	2
	47	49

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c Staff costs

	2023 Total £000s	2022 Total £000s
Staff employed directly:		
Salaries	1,617	1,510
Social security costs	182	150
Pension contributions	146	140
	1,945	1,800
Staff employed via third parties		
For service in the year	152	87
	2,097	1,887

The number of employees whose total remuneration amounted to over £60,000 in the year was as follows:

	2023 Headcount	2022 Headcount
£80,001 to £90,000	2	-
£70,001 to £80,000	1	1
£60,001 to £70,000	2	1

11. Tangible fixed assets

	Parsonages £000s	Glebe houses £000s	Operational properties £000s	Diocesan offices £000s	Office equipment £000s	Total £000s
Cost						
At 1 January 2023	6,219	928	11,198	846	293	19,484
Additions	-	-	491	-	21	512
Disposals	-	-	(237)	-	-	(237)
At 31 December 2023	6,219	928	11,452	846	314	19,759
Depreciation						
At 1 January 2023	-	-	-	-	240	240
Charge for year	-	-	-	-	25	25
At 31 December 2023	-	-	-	-	265	265
Net book value						
At 31 December 2023	6,219	928	11,452	846	49	19,494
At 31 December 2022	6,219	928	11,198	846	53	19,244

All tangible fixed assets were used for direct charitable purposes.

12. Fixed asset investments

	Glebe properties £000s	Unlisted investments £000s	Total £000s
Fair value at 1 January 2023	33,451	35,374	68,825
Additions at cost	-	-	-
Disposals at cost	-	-	-
(Losses)/Gains on revaluation	285	3,328	3,613
Fair value at 31 December 2023	33,736	38,702	72,438

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

13. Debtors

	2023 Total	2022 Total
	£000s	£000s
Glebe agents	414	471
Accrued grant income due within one year	1,494	1,614
Prepayments and accrued other income	118	57
CCLA dividend income accrued	262	261
Other debtors	152	229
	2,440	2,632

14. Creditors: amounts falling due within one year

	2023 Total	2022 Total
	£000s	£000s
Trade creditors	392	423
Grant payment accruals	413	627
Other accruals	204	196
Deferred income	386	170
Taxation and social security	85	132
Pension deficit	-	62
Pension contributions payable	91	91
	1,571	1,701

15. Creditors: amounts falling due after more than one year

	2023 Total	2022 Total
	£000s	£000s
Pension liability (see note 2)	-	-
Grant payment accruals	-	-
	-	-

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

16. Statement of funds

	At 1 Jan 2023 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 December 2023 £000s
GENERAL FUND	1,660	6,440	(6,690)	291	582	2,283
DESIGNATED FUNDS						
Operational Properties Fund	11,507	151	-	-	-	11,658
Cathedral "Endowment" Fund	5,000	-	-	-	-	5,000
Bishop's Mission Fund	35	-	(2)	1	-	34
Extra Mission & Ministry Support Fund	107	-	(32)	-	-	75
Diocesan Mission Fund	24	-	(12)	82	-	94
Church Fabric Fund	9	-	(92)	85	-	2
Church Improvement Fund	17	-	(59)	68	-	26
Bishop of Coventry's Link Dioceses Fund	5	1	(2)	-	-	4
Lambeth Conference Fund	20	-	-	-	-	20
Special Projects 2020	20	-	-	-	-	20
Clergy Holidays Fund	129	2	-	1	11	143
Diocesan Board of Education	141	-	(141)	-	-	-
CIF-NZ (Net Zero)	-	-	(100)	100	-	-
Property (Net Zero) Pilot				80		80
Total designated funds	17,014	154	(440)	417	11	17,156
Total unrestricted funds	18,674	6,594	(7,130)	708	593	19,439
RESTRICTED FUNDS						
Serving Christ Fund	252	256	(311)	-	-	197
Mission to Lowest Income Communities Fund	510	468	142	(615)	-	505
Church Commissioners' Mission Fund	2	-	(26)	26	-	2
LINC DMF Fund	24	-	(54)	30	-	-
LINC NCD Fund	13	-	-	-	-	13
LINC CGDA Fund	11	-	3	(2)	-	12
LINC Stipends Fund	4	-	-	-	-	4
LINC Growth Strategy	499	-	(259)	195	-	435
Strategic Development Fund	1,250	-	(115)	(185)	-	950
Places of Peace Fund	7	-	-	-	-	7
Offa Capital Projects Fund	253	-	(23)	-	-	230
Offa Spiritual Renewal Fund	1,307	18	(4)	-	17	1,338
Syrian Orthodox Christian School Fund	9	-	(10)	6	-	5
SOCS Scholarship Fund	1	-	(1)	-	-	-
Companionship Link Funds	1	5	(5)	-	-	1
Retreat Grants Fund	13	-	(3)	1	-	11
The Reverend George Goode Fund	15	-	-	-	-	15
Ordination Training Grant Fund	203	236	(375)	(1)	-	63
DC Bonfield Bequest	59	-	-	-	-	59
Archdeacons' Discretionary Fund	45	1	(1)	1	4	50
Queen Victoria Clergy Fund	5	5	(5)	-	-	5
Diocesan Stipends Fund Income Account	-	-	(3,089)	5,092	-	2,003
Capacity Funding	103	92	(106)	(25)	-	64
Acceler8	-	6	-	(6)	-	-
EE Bardsley Bequest Fund	-	-	(28)	28	-	-

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

16. Statement of funds – continued

	At 1 Jan 2023 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 December 2023 £000s
Warwick Clergy Stipends & Housing Fund	-	190	(190)	-	-	-
NZ Grant 1	-	-	-	15	-	15
NZ Grant 2 Recruitment	-	91	(8)	-	-	83
Pastoral Fund	-	-	-	-	-	-
Ministry Hardship Fund	-	-	171	(169)	-	2
Parsonages Grant	-	7	-	(7)	-	-
Total restricted funds	4,586	1,375	(4,297)	4,384	21	6,069
ENDOWMENT FUNDS						
<i>Expendable:</i>						
Parsonage Houses Fund	6,218	-	-	-	-	6,218
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	63,834	2,340	(224)	(5,092)	2,927	63,785
Church of England Funded Pension Fund	-	-	-	-	-	-
Coventry Diocesan Endowment Fund	784	17	(1)	-	72	872
Total endowment funds	70,836	2,357	(225)	(5,092)	2,999	70,875
TOTAL FUNDS	94,096	10,326	(11,652)	-	3,613	96,383

* Transfers include £5,326k (2022: £4,540k) released to restricted funds in accordance with the DBFs total return policy.

17. Descriptions of Designated, Restricted and Endowment Funds

Designated Funds

Operational Properties Fund

This fund represents the cost of properties held for operational use by the DBF and by clergy not in parochial posts that otherwise would be held by the General Fund, including the houses occupied by the Suffragan Bishop and the archdeacons, but excluding Glebe houses for occupation by clergy, together with surplus cash from the sale of properties held for reinvestment in houses for curates and other clergy.

Cathedral “Endowment” Fund

With the loss of trading income for the Cathedral during the COVID 19 pandemic, the DBF intends to create a fund with a capital amount of £5m which is to remain under the control of the DBF. The income generated from the capital amount, currently invested with CCLA, will be granted on a quarterly basis to the Cathedral each year. It is expected that c£150k will be derived from these investments. This income can be used by the Cathedral on its normal running costs and in return the Cathedral will continue to provide Diocesan services, and work with parishes on the reconciliation ministry strategic objective across the Diocese. These funds can be undesignated, in agreement with the Cathedral, by the DBF in the future.

Bishop’s Mission Fund

This fund has been established to support specific mission projects sponsored by the Bishop of Coventry.

Extra Mission and Ministry Support Fund

This fund enables the DBF to give financial support to those providing ministry and mission.

Diocesan Mission Fund

The Diocesan Mission Fund was set up in 2009 and has been replenished to fund applications for mission support from parishes.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

Church Fabric Fund

This fund is normally used to make fabric grants to churches.

Church Improvement Fund

This fund is used to make improvement grants to churches for their buildings with the aim of increasing mission effectiveness.

Bishop of Coventry's Link Dioceses Fund

This fund is supported by transfers from the General Fund and relates to the Anglican Diocese of Kaduna and the Syrian Orthodox Diocese of Jerusalem.

Lambeth Conference Fund

This fund was set up in 2020 to support the Lambeth Conference, a national Anglican-communion event held in 2022

Special Projects 2020

This fund was established to support special projects in the Diocese of Coventry.

Clergy Holidays Fund

This fund receives interest arising from the capital on the past sale of a flat in Bournemouth and a bequest received in 2005. It is used by the Archdeacons to make holiday grants to clergy and licensed lay workers.

Diocesan Board of Education (DBE)

This fund was set up to transfer the proceeds of the sale of the site bungalow at St Bartholomew's CofE Academy following the decision by the Diocesan Trustees to pay the proceeds to the CDBF with the intention of supporting the DBE.

CIF-NZ (Net Zero)

This fund was set up as part of the Church Improvement Fund to give grants to parishes for improving the facilities in their church buildings that demonstrate a reduction in carbon footprint.

Restricted Funds

Serving Christ Fund

This fund has been set up as a result of a grant awarded in 2017 by the Church Commissioners towards the costs of the Serving Christ project, an extension of the existing diocesan strategy of growing healthy churches. The project aims to increase significantly the capacity for growth in existing and emerging churches across the diocese of Coventry, and also Ebbsfleet parishes in other Dioceses, by a focus on discipleship development.

Mission to Lowest Income Communities Fund

This fund is for grants received from the Church Commissioners for mission to lowest income communities in the Diocese.

Church Commissioners' Mission Fund

This fund represents additional funds given to the DBF by the Church Commissioners that have arisen as a result of better returns on their investment assets and may be used to support parochial ministry and mission.

LINC DMF Fund

This fund is drawn from the Lowest Income Communities Fund to award Diocesan Mission Fund grants to eligible parishes.

LINC NCD Fund

This fund is drawn from the Lowest Income Communities Fund to support the DBF's healthy churches work and Natural Church Development (NCD) diagnostic survey tool.

LINC CGDA Fund

This fund is drawn from the Lowest Income Communities Fund for the DBF's Church Growth in Deprived Areas project

LINC Stipends Fund

This fund is drawn from the Lowest Income Communities Fund for clergy stipends in the Church Urban Plants and

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

Mission Hubs that are in eligible parishes

LINC Growth Strategy

This fund is drawn from the Lowest Income Communities Fund to support the DBF's missional growth work.

Strategic Development Fund

This fund represents monies released by the Church Commissioners to support major change projects which lead to a significant difference in dioceses' mission. This includes the Church Urban Plants project.

Places of Peace Fund

A fund to support a youth work project and pilot which aimed to address the issue of youth violence in the city of Coventry.

Offa Capital Projects Fund

The Trustees and Bishop of Coventry have set this fund using the proceeds of the Offa House sale. The capital and income from this fund can be used to fund capital projects that support the spiritual development of the members of the church in the Diocese of Coventry.

Offa Spiritual Renewal Fund

This fund has been set up using the monies from the sale of Offa House. The capital and income from this fund is available to fund projects for children and or adults which develop their spirituality.

Syrian Orthodox Christian School Funds

The Mar Ephraim School is a Syrian Orthodox school that opened in Bethlehem in 2006. Donations to the main fund go to support the school and the Scholarship Fund is used to provide a bursary for a pupil. These funds were previously managed by Coventry Cathedral and were paid over to the DBF in December 2011.

Companionship Link Funds

These funds are funds raised to fund specific projects for the linked dioceses, including the Diocese of Kapsabet in Kenya.

Retreat Grants Fund

This fund was set up with funds donated by the company which managed the former retreat house, for retreat grants for lay people who are not licensed and who are communicant members of the Church of England within the Diocese of Coventry.

The Reverend George Goode Fund

This fund represents money held for training and supporting the ministry of Readers in the Diocese.

Ordination Training Grant Fund

This fund is for the block grant received from the Archbishop's Council for training ordinands sponsored by the Diocese. The block grant is based on the number and age of ordinands sponsored by the Diocese and can only be used to fund training on Initial Ministerial Education Phase 1 pathways at accredited institutions approved by the Ministry Division of the Archbishops' Council.

DC Bonfield Bequest and Ordination Candidates' Fund

These funds enable the DBF to give financial support to those in training for the Ministry. The DC Bonfield Bequest funds came from the estate of Donald Charles Bonfield in 2006 and subsequent years.

Archdeacons' Discretionary Fund and the Queen Victoria Clergy Fund

These funds enable the Archdeacons and the Bishop to give discretionary grants to those in Parochial Ministry in need.

Diocesan Stipends Fund Income Account

This fund consists of accumulated income balances subject to the Diocesan Stipends Fund Measure 1953. It receives income specifically for support of stipends, in particular Glebe rental income and investment income from the Diocesan Stipends Fund Capital Account and is charged with expenditure on Clergy stipends and the management and maintenance of Glebe property. The excess of expenditure over income is charged to the General Fund.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

Capacity Funding

This fund has been set up as a result of a grant awarded in 2020 from the Church Commissioners to fund the first year of salary for the Programme Manager and the Director of New Worshipping Communities posts which form part of the Growth Strategy of the Diocese.

Acceler8

This fund has been set up as a result of a grant awarded in 2015 by the Church Commissioners towards the cost of a project to speed up the growth of churches across the diocese by improving their health in eight quality areas and by intentionally focusing on the 20s and 30s age range.

The following fund is still active but has a zero balance. There has been some activity during the year.

EE Bardsley Bequest

These funds were received in 2005 and 2006 from the estate of the late Mrs Edith Bardsley, widow of the late Bishop Bardsley, for use by the Coventry Diocesan Board of Mission, of which the DBF is the successor. Both capital and income may be used.

Endowment Funds

Parsonage Houses Fund

This fund represents the capitalised value of clergy housing for which the DBF has responsibility for maintenance.

Diocesan Stipends Fund Capital Account

This fund represents the value of property and investments held under the Endowments and Glebe Measure 1976. Historically, these holdings were held at parish level for the benefit of individual clergy stipends, but since the Measure they have been managed at Diocesan level for the benefit of all clergy paid for by the DBF.

Coventry Diocesan Endowment Fund

This fund is established to produce income applied for the augmentation of stipends. The assets of the fund are held by the Diocesan Trustees as custodian trustees.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

18. Total Return

	Trust for Investment £000s	Unapplied Total Return £000s	Total £000s
At 1 January 2023			
Gift component of the permanent endowment	14,984	-	14,984
Accumulated inflation since original gift	9,049	-	9,049
Accumulated net transfers brought forward	(162)	-	(162)
Unapplied total return	-	40,420	40,420
	23,871	40,420	64,291
Prior year expenditure	-	(457)	(457)
	23,871	39,963	63,834
Movements in the year			
Transfers from Parsonages to Operational Properties	-	-	-
Investment return: property income, dividends and interest	-	2,340	2,340
Investment expenditure: Glebe	-	(224)	(224)
Investment return: realized and unrealized gains and losses	-	2,927	2,927
Indexation on base value of investment	599	(599)	-
	599	4,444	5,043
Unapplied total return allocated to income in the year	-	(2,340)	(2,340)
Release of historic unapplied total return	-	(2,752)	(2,752)
	-	(5,092)	(5,092)
Net movements in the year	599	(648)	(49)
At 31 December 2023			
Gift component of the permanent endowment	14,984	-	14,984
Accumulated inflation since original gift	9,648	-	9,648
Accumulated net transfers brought forward	(162)	-	(162)
Unapplied total return	-	39,315	39,315
	24,470	39,315	63,785

Movements in the year reflect the pastoral order made for the creation of the new benefice, The Bridge Benefice, uniting the parishes of Westwood and Canley. This led to the transfer of a parsonage, St Stephen's Vicarage, 47 Glebe Close, Canley from Parsonages to Operational Properties.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

19. Transfer between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s
NZ Grant 1	(15)	-	15	-	-
Church Fabric Fund	(85)	85	-	-	-
Church Improvement Fund	(68)	68	-	-	-
Capacity Funding	25	-	(25)	-	-
Diocesan Mission Fund	(82)	82	-	-	-
LINC DMF Fund	(30)	-	30	-	-
CIF-NZ (Net Zero)	(100)	100	-	-	-
LINC Growth Strategy	(195)	-	195	-	-
Mission to Lowest Income Communities Fund	615	-	(615)	-	-
Parsonage Grant	7	-	(7)	-	-
Ministry Hardship Fund	169	-	(169)	-	-
Diocesan Stipends Fund Capital Account	-	-	5,092	(5,092)	-
Property NZ Pilot Fund	(80)	80	-	-	-
LINC CGDA Fund	2	-	(2)	-	-
Retreat Grants Fund	(1)	-	1	-	-
Strategic Dev Fund/Urban Church Plant	185	-	(185)	-	-
Bishops Extra Mission and Ministry Support Fund	(1)	1	-	-	-
Acceler8	6	-	(6)	-	-
Archdeacons' Discretionary Fund	(1)	-	1	-	-
Syrian Orthodox Christian School Support Fund	(6)	-	6	-	-
Clergy Holidays Fund	(1)	1	-	-	-
Church Commissioners' Mission Fund	(26)	-	26	-	-
EE Bardsley Bequest Fund	(28)	-	28	-	-
Ordination Training Block Grant Fund	1	-	(1)	-	-
	291	417	4,384	(5,092)	-

20. Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2023 Total £000s
Funds at 31 December 2023 are represented by:					
Tangible fixed assets	49	12,298	-	7,147	19,494
Fixed asset investments	5,484	112	1,229	65,613	72,438
Net current assets	(3,250)	4,746	4,840	(1,885)	4,451
Total net assets	2,283	17,156	6,069	70,875	96,383

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

21. Related party transactions

The Coventry Diocesan Board of Education (the DBE) is a related party as it is responsible to Diocesan Synod, the members of which are also the members of the DBF. The DBF provided the DBE with grants of £159,000 (2022: £187,000) in the year towards the costs of the DBE's statutory obligations.

The Coventry Diocesan Trustees (Registered) (the CDT) is a related party as it is the custodian trustee of the Coventry Diocesan Endowment Fund and a residential property. Income received from the Diocesan Trustees during the year for the Diocesan Stipends Fund Income Account was:

Coventry Diocesan Endowment Fund	£22,860 (2022: £16,959)
Residential property	£4,222 (2022: £2,831)

Costs incurred by the DBF on behalf of the Diocesan Trustees were £25,350 (2022: £25,350). These costs were for secretarial support and accounts preparation fees.

Together for Change (TFC) is a partner charity supported by the DBF and the Church Urban Fund. Costs incurred by the DBF as part of this partnership include the supply of a Chief Executive Officer, office and IT provision, and finance and HR services. Grants of £33,000 were awarded in the year (2022: £30,000).

There were £250 other related transactions during the year with the company Potential Plus. The transaction related to Curates training services provided by Sarah Jackson who is a Director/Owner of Potential Plus and the wife of Barry Jackson, Trustee.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

22. Prior year Statement of Financial Activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s
Income and endowments from:					
Donations					
Parish Share	4,670	-	107	-	4,777
Church Commissioners	177	-	1,108	-	1,285
Other grants and donations	43	-	1,123	-	1,166
Charges for charitable activities	391	-	-	-	391
Other trading activities	470	141	-	-	611
Investments					-
Investments income	70	8	34	2,429	2,541
Total return allocated to income	-	-	2,429	(2,429)	-
Release of historic return	-	-	2,111	(2,111)	-
Surplus on sale of assets	-	364	-	-	364
Total	5,821	513	6,912	(2,111)	11,135
Expenditure on:					
Raising funds	309	-	-	202	511
Charitable activities					
Mission and ministry	3,480	-	3,793	-	7,273
Support for mission and ministry	2,280	74	1,254	-	3,608
Contributions to Archbishop's	508	-	-	-	508
Council					
Diocesan Board of Education	155	-	-	-	155
Total	6,732	74	5,047	202	12,056
Net income/ (expenditure) before investment	(912)	439	1,865	(2,313)	(921)
Net gains /(losses) on investments					
Net losses on revaluation	(284)	(15)	(162)	(4,064)	(4,525)
Surplus on sale of investments	-	-	-	-	-
Net income/(expenditure)	(1,196)	424	1,703	(6,377)	(5,446)
Transfers between funds	825	499	(1,322)	(2)	-
Other recognised gains/(losses):					
Gains on revaluation of fixed assets	-	-	-	-	-
Actuarial gains on defined benefit pension scheme	-	-	-	203	203
Net movement in funds	(371)	923	381	(6,176)	(5,243)
Reconciliation of funds					
Funds at 1 January	2,027	16,094	4,205	77,013	99,339
Net movement in funds	(371)	923	381	(6,176)	(5,243)
Funds at 31 December	1,656	17,015	4,586	70,835	94,096

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

23. Prior year Statement of Funds

	At 1 Jan 2022 £000s	Income £000s	Expenditure £000s	Transfer s £000s	Gains and (losses) £000s	At 31 December 2022 £000s
GENERAL FUND	2,027	5,821	(6,732)	825	(284)	1,657
DESIGNATED FUNDS						
Operational Properties Fund	11,143	364	-	-	-	11,507
Cathedral "Endowment" Fund	4,500	-	-	500	-	5,000
Bishop's Mission Fund	31	4	-	-	-	35
Extra Mission & Ministry Support Fund	106	1	-	-	-	107
Diocesan Mission Fund	35	1	(33)	21	-	24
Church Fabric Fund	54	-	(38)	(7)	-	9
Church Improvement Fund	40	-	(7)	(15)	-	18
Bishop of Coventry's Link Dioceses Fund	5	-	-	-	-	5
Lambeth Conference Fund	20	-	-	-	-	20
Special Projects 2020	20	-	-	-	-	20
Clergy Holidays Fund	141	3	-	-	(15)	129
Diocesan Board of Education	-	141	-	-	-	141
Total designated funds	16,094	514	(78)	499	(15)	17,014
Total unrestricted funds	18,121	6,335	(6,810)	1,324	(299)	18,671
RESTRICTED FUNDS						
Serving Christ Fund	882	(358)	(336)	63	-	251
Mission to Lowest Income Communities Fund	583	412	(186)	(300)	-	509
Church Commissioners' Mission Fund	2	-	-	-	-	2
LINC DMF Fund	(1)	-	(11)	36	-	24
LINC NCD Fund	13	-	-	-	-	13
LINC CGDA Fund	14	-	(3)	-	-	11
LINC Stipends Fund	4	-	-	-	-	4
LINC Growth Strategy	300	-	(102)	300	-	498
Strategic Development Fund	-	1,250	-	-	-	1,250
Places of Peace Fund	7	-	-	-	-	7
Offa Capital Projects Fund	283	3	-	(33)	-	253
Offa Spiritual Renewal Fund	1,485	28	-	-	(156)	1,307
Syrian Orthodox Christian School Fund	11	4	-	(6)	-	9
SOCS Scholarship Fund	1	-	-	-	-	1
Companionship Link Funds	2	-	(1)	-	-	1
Retreat Grants Fund	17	-	(4)	-	-	13
The Reverend George Goode Fund	15	-	-	-	-	15
Ordination Training Grant Fund	17	387	(201)	-	-	203
DC Bonfield Bequest	58	1	-	-	-	59
Ordination Candidates' Fund	-	-	-	-	-	-
Archdeacons' Discretionary Fund	53	1	(3)	-	(6)	45
Queen Victoria Clergy Fund	5	-	-	-	-	5
Diocesan Stipends Fund Income Account	331	-	(3,459)	3,128	-	-
Capacity Funding	170	-	(14)	(53)	-	103
Deanery Share Support Fund	-	107	(107)	-	-	-
Warwick Clergy Stipends & Housing Fund	-	227	(227)	-	-	-
Ministry Hardship/PCC Energy Fund	-	309	(392)	83	-	-
Total restricted funds	4,205	2,371	(5,046)	3,218	(162)	4,586

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

23. Prior year Statement of Funds - continued

	At 1 Jan 2022 £000s	Income £000s	Expenditure £000s	Transfer s £000s	Gains and (losses) £000s	At 31 December 2022 £000s
ENDOWMENT FUNDS						
<i>Expendable:</i>						
Parsonage Houses Fund	6,218	-	-	-	-	6,218
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	70,132	2,409	(203)	(4,540)	(3,963)	63,835
Church of England Funded Pension Fund	(201)	-	-	(2)	203	-
Coventry Diocesan Endowment Fund	865	20	-	-	(101)	784
Total endowment funds	77,013	2,429	(203)	(4,542)	(3,861)	70,836
TOTAL FUNDS	99,339	11,135	(12,056)	-	(4,322)	94,096

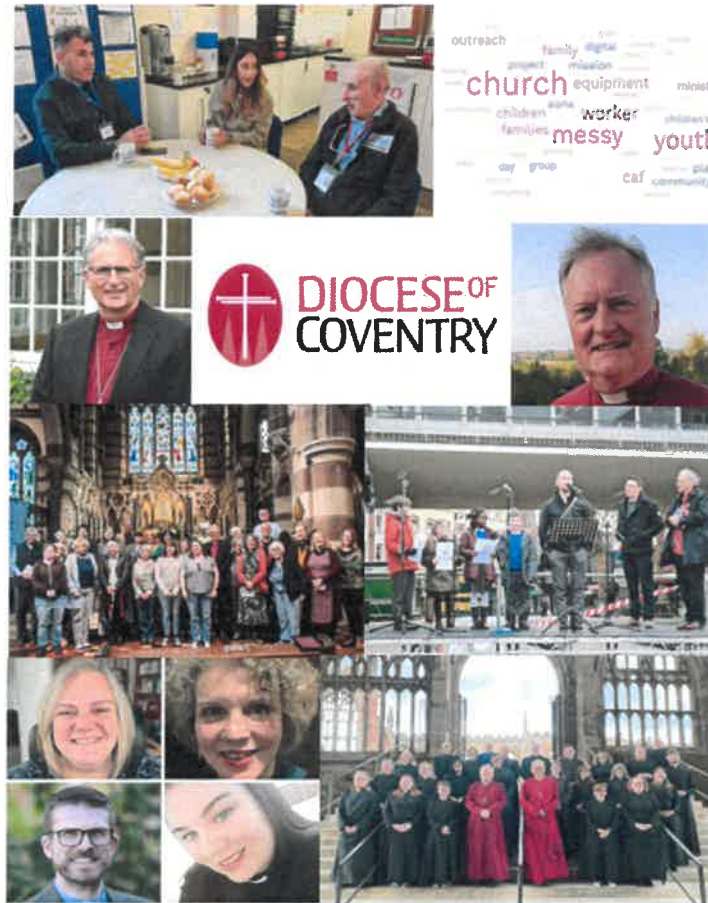
24. Prior year Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s
Funds at 31 December 2022 are represented by:					
Tangible fixed assets	53	12,044		7,147	19,244
Fixed asset investments	2,156	112	1,229	65,328	68,825
Net current assets	(549)	4,858	3,357	(1,639)	6,027
Creditors falling due after more than one year					-
Total net assets	1,660	17,014	4,586	70,836	94,096

Accounts



COVENTRY DIOCESAN BOARD OF FINANCE LIMITED



REPORT AND FINANCIAL STATEMENTS for the year ended 31 December 2022

Company Registered Number: 319482
Registered Charity Number: 247828

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2022

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COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022

Message from Bishop Christopher

The vision of *restored health, new growth and renewed relationships* to which I referred in the 2021 report is now well embedded in our diocesan life. As is clear in this 2022 report, it has provided a useful framework for ordering and assessing much of the activity of the DBF. It forms the structure for Our Shared Future Framework. The Framework is proving to be a very useful tool for a more intentional engagement process with the Whole Diocese on the support provided by the DBF to frontline ministry than we have attempted in the past.

It has been very good to see evidence of restored health, new growth and renewed relationships across the Diocese much of it the result of the ordinary round of Christian ministry conducted – with extraordinary devotion – by faithful clergy, lay leaders and committed parishioners; some of it the outworking of new developments enabled by our newly launched Mission Hubs and the resourcing activity of St Mark's Coventry.



At the same time, it has been moving to see the energy by which church communities, schools, the Cathedral and chaplaincies have responded to the 'needs of the day'. Among those were the sad demise of our Late Queen Elizabeth which brought particular responsibilities to the Church of England to respond to the pastoral and spiritual needs of the country. I am grateful for the opportunities for Christian ministry that were taken across the Diocese as we sought to help the people of Coventry, Warwickshire and the small part of Solihull for which we have care, grieve for our Late Majesty, give thanks for Her remarkable service to the country and commonwealth and to celebrate the new Reign of King Charles III. The cost-of-living crisis, especially in relation to fuel prices, brought a very different set of challenges to the Diocese but rather than focusing on the financial impact to our own budgets, I was delighted to see the way a number of 'Warm Hubs' sprang up across the Diocese as we sought to respond to the immediate and practical needs of many people in our city, towns and villages.

There are certainly financial pressures on our parishes which impact upon the DBF. While grateful for the assets that past history have bequeathed to us and good management in the present that have grown them, I am also glad that we are addressing the intermediate and long-term need to grow our income and to control our costs, and I acknowledge the important part that the Chair of the DBF, the Diocesan Secretary and Chief Executive Officer, and the Interim Director of Finance are playing in this work. Indeed, as I ended my message in the previous report by thanking our retiring Diocesan Secretary, Ruth Marlow, for her contribution to the Diocese of Coventry, I conclude these comments by expressing my appreciation to her successor, Jacqueline Ladds, for the skills and gifts that she has brought to her role and which are already making a difference to our common life in a number of helpful ways.

**The Rt Revd Dr Christopher Cocksworth,
Bishop of Coventry**

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022



COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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For the year ended 31 December 2022

Chair's Report

The year ending December 2022 has brought both challenges and opportunities as we have emerged from the pandemic; we were starting to understand what is the "new normal" within the life of our churches and communities, as well as wider society, when the conflict in Ukraine commenced, seemingly the trigger for the escalation in energy costs and the subsequent impact on the cost of living. The call on the church to demonstrate the love of Christ to our communities has perhaps not been so strong for many years as people make difficult decisions as to how to allocate their household budgets. I therefore want to thank everyone across the diocese, congregations and volunteers, staff and clergy, for their hard work and faithful prayers as we look to demonstrate and extend the kingdom of God across our region.

In light of the above, I am pleased that our partner charity, Together for Change, continues to find favour with Warwickshire County Council particularly based upon the work at Saints Nuneaton. This has led to simpler project initiations in places of great need across northern Warwickshire. They continue to support projects with refugees and asylum seekers, link workers in schools and outreach work in Warwick in partnership with the local churches: They were ideally placed to administer funding from the national church and other funders to support warm hubs in some of the poorest communities within our diocese.

The work to establish 4 new church plants in Bedworth, Hillfields, Tile Hill and Wyken is now well under way, with stories of positive community impact starting to flow. The Mission Hub Churches being established across the diocese are also creating their own identities so that they can offer appropriate support to others. As our funding support changes, we want to thank those that have contributed to the Serving Christ Project and the difference this has made to the laity. As with our missional activity, this important work of supporting the laity continues to evolve as documented within this report.

The impact of the pandemic on Parish Share has been felt more keenly in these 12 months than in either of the previous 2 years, compounded by the cost of living crisis, with the final contributions being 12% lower than the offers made at the start of the year. We are grateful for the careful stewardship of our investments by the Investment Sub-Committee and the Glebe Committee which means we have been able to fund the gap in income from our reserves. The current income and expenditure trends have led us to consider how we might manage resources in the longer term, and we will be creating a long-term financial action plan during 2023 to ensure we continue the maximum levels of missional activity in the years ahead.

I am very aware that the burden of caring for and maintaining our places of worship distracts key volunteers from being more fully involved in missional activity. As part of our long-term planning a more complete review of our buildings and the needs has been initiated and will be reported on during 2023.

This last 12 months has seen an increase in activity by both the Diocesan Environmental Group and the Parsonages Committee as we look to meet the target set by the national church of being Net Zero by 2030, and this was supported by an increase in expenditure budget by Diocesan Synod.

A commitment to ensure the Church is a safe place for everyone will continue through 2023. The Past Case Review 2 presented its report during 2022 observing the diocese has a "robust, practice-based approach to safeguarding". The reviewers made seven recommendations to further improve our activity and these have been turned into an action plan, overseen by the Diocesan Safeguarding Scrutiny Group.

Once again, my thanks to all of those that make the life of the diocese an active and purposeful place in which to work out our faith, both in our own worship of God and in our activity to love our neighbour.

Simon Danks

Chair of Coventry Diocesan Board of Finance

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

The trustees, who are also directors for the purposes of company law, present their combined Trustees' Report and Directors' Report, together with the audited financial statements, for the year ended 31 December 2022. The Trustees' and Directors' Report is presented in sections as follows:

Section 1: Strategic Report - which includes a review of achievements and performance in the year

Section 2: Governance Report

Section 3: Trustees' and Directors' Report Approval

SECTION 1: STRATEGIC REPORT

1.1 OBJECTIVES AND ACTIVITIES

Coventry Diocesan Board of Finance Limited (the DBF) aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Coventry and elsewhere. The mission purpose of the Diocese of Coventry is "worshipping God, making new disciples and transforming communities." Bishop Christopher's vision for the Diocese is that,

'as bearers of the life of God with restored health, new growth and renewed relationships, we will be the sharers of Jesus' gospel of life in a troubled world'

To achieve this and associated church growth, the Diocese had already agreed a strategy which reaches out to all the people of Warwickshire and Coventry in its Mission Purpose through a number of bodies and organisations, not just churches. This integrated strategy recognises the individual distinctiveness of each member of the diocesan family – churches, schools, chaplaincies and cathedral – served and supported by our diocesan staff, synods, boards and committees. It has identified priorities, endorsed by the Bishop's Council, which form the focus for the allocation of diocesan resources including, people, money and prayer.

1. Making the gospel known throughout the Diocese so people become followers of Christ.
2. Strengthening the health of churches and organisations across the Diocese in the 8 Essential Qualities identified by NCD (Natural Church Development).
3. Enabling the well-being, development and flourishing of clergy and lay people across the Diocese.
4. Equipping the whole Diocese for the work of reconciliation.
5. Promoting the life-long Christian learning and education across the Diocese.
6. Delivering positive community transformation.

In its work towards these objectives the Bishop's Council continues to endorse two priority themes for particular emphasis; increasing engagement with UK Minority Ethnic / Global Majority Heritage (UKME/GMH) peoples, and a focus on children's and young people's spirituality and discipleship.

To fund these activities, the DBF raises most of its income by advising its funding need to Deaneries (the Deanery Share), which Deaneries in turn allocate to parishes (the Parish Share). The DBF also receives some investment and other income. The DBF seeks to maintain sound finances in order to be able to support mission and ministry in the Diocese both in the short and in the long term.

Public benefit

The trustees are confident that by promoting the work of the Church of England in the Diocese of Coventry the DBF helps to promote the whole mission of the Church of England - pastoral, evangelistic, social and ecumenical - both in the Diocese as a whole and in its individual parishes, and that in doing so provides a benefit to the public by:

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2022

- 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.
- Promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the DBF's aims and objectives and in planning future activities.

1.2 PRINCIPAL RISKS

The DBF operates a comprehensive system of risk management, with a strategic risk register reviewed three times a year by the leadership team and the Audit & Risk Committee. The trustees undertake an annual horizon scanning process to consider the risks to the organisation, following which the register is reviewed and updated to take account of new and emerging risks.

The major risks identified by the DBF's trustees in 2022 and the measures in place to mitigate and manage them are:

Short-medium term impacts arising from changes within finance team and financial systems

This risk reflects the impact that the move from Exchequer to XLedger has created, recognising that the lack of a clear project plan for the transition has created ongoing difficulties. The risk also reflects a widescale change of personnel within the finance team and the subsequent loss of knowledge resulting from the lack of handover. The finance team have also suffered from sickness absence through the year meaning that they have not been able to operate at full capacity. There has been an impact on many areas of the DBF's operations including supplier payments and provision of accurate and timely financial data, as well as reputational damage and damage to relationships with key partners including the Cathedral and Together for Change (TfC).

The DBF seeks to mitigate this risk by providing additional resource and capacity. This has included an interim Director of Finance, temporary Management Accountants and additional Finance Assistants. There has been an increase in communication between the DBF, Cathedral and TfC, as well as increased communication between DBF departments in particular finance and IT. Lessons learned from the transition process will be reviewed when the move is complete, to help avoid similar issues occurring again.

Risks to the long-term financial sustainability of the organisation

This risk reflects the potential impact of parishes failing to pay parish share at agreed levels and of investment returns not being in line with the objectives of the investment policy. The risk was impacted during 2022 by the economic and political climate including the ongoing cost of living crisis, increasing inflation, the continuing effect of Brexit and the war in Ukraine. In particular the large increases in energy costs are causing difficulties for many parishes and impacting their ability to cover parish share at previously agreed levels, with a subsequent impact on the DBF's income.

The DBF seeks to mitigate this risk by working with deaneries to ensure that local contexts and affordability are taken into account when parish share levels are agreed. Area Deans are encouraged to communicate with the DBF when potential issues first arise, to allow constructive conversations to take place. A Generous Giving Advisor will be appointed in 2023 to assist parishes to look at stewardship. Support with energy costs was made available to PCCs (via funding from the Church Commissioners). The Investment Sub-Committee (ISC) and Glebe Committee meet regularly to review the performance of investment assets and are in regular contact with CCLA. The Diocesan Finance Group (DFG) and ISC review the proposed use of Unapplied Total Return (UTR) before the recommendations are put to synod, helping to ensure that the DBF's assets are utilised in a sustainable manner.

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TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2022

A failure to deliver strategic objectives

This risk reflects the potential impact on church health and growth of a failure to deliver strategic outcomes and objectives. It also reflects the potential destabilising impact of poorly understood or implemented strategy, including the impact on core functions as well as project outcomes.

The DBF seeks to mitigate this risk by ensuring there is robust governance and oversight of strategy. Steering groups are in place for key projects (those funded by the Strategic Development Fund - SDF). Regular reviews of progress are undertaken by Bishop's Core Staff Team (BCST), Bishop's Strategy Integration Group (BSIG) and Bishop's Council, with assistance from key staff including the Programme Manager and Director of Communications. During 2022 the DBF trustees approved a revised strategic framework and an annual cycle of listening, reviewing, budgeting and approving. This will further help to ensure that strategy is coherently embedded into the DBF decision-making and review process.

An absence of trustees, key staff or advisers

This risk reflects the potential impact of an insufficient number of suitable trustees, key staff members of advisers. A lack of such individuals has the potential to cause disruption to governance and service delivery and also to result in the loss of valuable organisational knowledge.

The DBF seeks to mitigate this risk by regular review of committee and board vacancies and an active recruitment process to fill such vacancies. Role descriptions are circulated as part of the communication of each vacancy. Potential Diocesan Synod and Bishop's Council members declare their eligibility in line with the Charity Commission requirements. On election, trustee information is updated on the Charity Commission and Companies House websites. An induction guide is circulated to the newly elected Diocesan Synod members, outlining the structure of the diocese, the responsibilities of the various committees and an overview of diocesan strategy. Bishop's Council members (trustees) are elected by and from Diocesan Synod. The induction guide is updated during each triennial election. A redesign of the induction guide is planned as part of the wide-scale governance review which will begin in 2023.

It is anticipated that the induction guide will form part of the Governance Handbook which will be developed during the review. This will be available for the 2024 triennial elections. Appointment of external advisers is also regularly reviewed and plans put in place to anticipate contract end dates, upcoming retirements, etc. Skills audits are undertaken across committees

Employee absence and vacancy levels are monitored and steps taken to cover absence where necessary (eg. long-term sickness or parental leave). Business continuity plans are in place for each department outlining key tasks and methods of cover in case of absence. In-house HR expertise enables an efficient recruitment process to fill employee vacancies. An increased focus on employee wellbeing is helping to increase employee retention.

A failure to work towards the Net Zero 2030 target

This risk reflects the potential impact of the diocese failing to make progress towards the target, set by General Synod, of moving to net zero carbon by 2030. There is a potential financial risk, not least the cost of offsetting a high residual carbon footprint should reductions not be made. There is also a reputational risk if the DBF is seen to be out of step with worshippers and wider society on the need for action.

The DBF seeks to mitigate this risk with a range of measures, overseen by the Net Zero Steering Group which is chaired by the Diocesan Environment Officer and includes senior leadership representation. Emissions data is actively measured and reviewed across all in-scope areas (churches, schools, clergy housing, offices, work-related travel) and a detailed action plan is being developed which will build on the net zero strategy adopted by Bishop's Council in July 2021. Communication and education on environmental issues is being developed and rolled out, including Lent and discipleship courses, alongside the ongoing promotion of the Eco Church scheme.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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for the year ended 31 December 2022

A failure in Safeguarding

This risk reflects the potential impact of a serious failure in safeguarding.

The DBF regards protecting the health, wellbeing and human rights of individuals, especially children, young people and vulnerable adults, as an absolute priority. To mitigate the risk of a serious safeguarding failure the DBF has a rigorous safeguarding policy and management process in place, backed by a safeguarding training strategy which includes senior leadership training. A dashboard has been provided free of charge to all parishes to aid them in the management of their own safeguarding requirements. The Diocesan Safeguarding Scrutiny Group (DSSG) provides external oversight and scrutiny, in line with national guidance. Recommendations from the Past Cases Review 2 (PCR2) are being progressed. An annual safeguarding report is prepared for Bishop's Council and Diocesan Synod review, with the opportunity for questions to be put to the Diocesan Safeguarding Adviser. Additional capacity has been provided within the safeguarding team to meet increased demand.

1.3 ACHIEVEMENTS AND PERFORMANCE

Restored Health, as we worship God who heals us

Caring for our churches

In 2022 we launched a survey to consider how 'at risk' each church building is in terms of its sustainability, and identify the particular pressure points that are the significant challenges. It formed the first stage of understanding the specific issues faced locally by PCCs, which will contribute to and inform the development of an effective church building strategy in the Diocese. The data will also provide evidence for budget request and grant applications (to external funders) aimed at testing and impending new ideas and fund resources to support the strategy, as well as celebrating and sharing knowledge of successful models of care, creative reuse, community engagement and partnership working.

The aim is to identify sustainability of church buildings in the Diocese and develop strategies to better care for and use our church buildings, and support our PCCs. The Church building survey was sent out to all churches in Fosse Deanery in November, who are acting as a pilot deanery for this project.

During 2022, the total value of grants awarded to projects in the Diocese was £713k, up from £262k in 2021. This is, in part due to the awarding of two large Lottery funded applications to St Mary's Warwick, and St Nicholas Willoughby. Impressively, these figures reflect a 90% approval rate based on value (the fundraisers' industry average is c. 25%). This illustrates the hard work and dedication of the PCC's commitment to fundraising for church projects, and the invaluable support provided by the Church Buildings Funding Support Officer. Another key highlight has been at St Catherine's Stoke Aldermoor and the project development and fundraising for the £110k community garden project.

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for the year ended 31 December 2022

A new extension for All Saint's Church, Burton Hastings

The church dates back to the 14th century and is listed Grade II*. The village has no public house, shops or a village hall meaning that the church is the only public building in the parish. It had no toilet facilities, ability to safely serve refreshments, or even mains water. Back in 2015 the PCC suggested that an extension on the North side of the church, accessed through a now blocked up North door would be the best way to meet their needs. Planning Permission was granted in 2016, followed by Faculty consent in 2017. One of the biggest obstacles to the project was raising the funds to finance it. The PCC worked exceptionally hard on local fundraising and external grant applications and eventually succeeded, with the support of Andy Duncan, the Church Building Funding Support Officer. The Coronavirus pandemic caused some delays to the construction, but the extension was finally completed in early 2022. It was formally blessed and dedicated by Bishop John in June. Since it has been completed, the church has held numerous events including a community quiz night, a coffee morning, and it was also the focus for the village Jubilee celebrations.



Anne Dickinson, Churchwarden, reports that the whole community made suggestions for how the church could be used, including for art classes, film nights, photography clubs, and craft workshops amongst a whole host of other things. The church's peaceful location also ensures that it can remain a quiet place for people to recharge their batteries and connect with God. We look forward to seeing how their story progresses in the coming years!

St Paul's Leamington celebrates one year of its wellbeing café

Following concerns in the media about the increasing number of people suffering mental health problems as a result of the COVID pandemic, the vicar of St Paul's, the Revd Jonathan Jee, mentioned at the 2021 Annual Parochial Church Meeting that he wanted to set up a Wellbeing Café. The Church felt God's nudge that this would be something that they would like to get involved in.



After much prayer and recruiting an excellent team they opened the doors to their Renew Wellbeing café on 17th January 2022. Open on Monday mornings, the café provides a warm welcoming space where people can be themselves without pressure on anyone to do anything they don't want. People can drop in for a tea or coffee, chat, play board games, do a craft or sit in a quiet space.

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Warm hubs set up across the diocese

Supported by funding from the central church and with additional fundraising through Together for Change (TfC) our churches responded to the cost of living crisis by setting up or extending their warm spaces to offer somewhere for people to go to in the winter months.

St Peter's, Hillfields set up a warm space in the main reception area of the church using comfy chairs and tables to create a warm space of welcome for all members of the Hillfields community.

St Francis of Assisi, Radford had activities every day of the week including: a community cafe serving hot drinks, breakfast and lunch; a foodbank; a Social Supermarket; community support; friendship groups; free computer use and wi-fi.

St Peter's, Wellesbourne used their Wednesday Welcome in the Church Centre to offer tea/coffee with homemade cake or biscuits from 10.30 to 12 and then soup, roll, butter/margarine and cheese from 12 to 1 pm.

St John the Divine, Willenhall, offered stay & play groups with tea & toast, small group breakfast of families, a women's group with breakfast and a Friday brunch drop in.

These are just a few of the many examples of our churches' response.

Ministry and mission in our rural communities

In 2022, Bishop John announced that the Reverend Martin Davies had been appointed as Rural Life Officer and the Reverend Dan Corlett as Assistant Rural Life Officer.



Their work will encourage and enable the rural church to engage with rural and agricultural issues as part of its mission, ministry, growth and discipleship, support organisations and individuals in rural and agricultural settings and sectors to access spiritual support at times of personal or corporate need, and identify the mission and ministry needs and opportunities of the rural and agricultural communities in the Diocese and advise and enable colleagues to address these.

On his appointment, Martin said *"Having been a farmer for over forty years, I am very aware of the constant struggles and pressures that the farming and rural communities face in today's ever-changing world. I am excited to be working with Dan Corlett with his vast experience of environmental and rural issues."*

Formerly the Chief Executive of Farming and Countryside Education, Dan said *"I'm looking forward to working with Martin and am pleased to be continuing to work alongside the agricultural and rural communities, together with my role helping to resource the rural church at the Alcester Mission Hub."*

New Growth, as we make new disciples

Growing new worshipping communities

Part of our growth strategy is the programme to grow four urban churches part funded by a £1.25m grant from the Strategic Development Fund (SDF) which was awarded in October 2021. The grant required further detailed planning to be submitted before the Diocese could access these funds and the new Programme Manager worked with each of the church leaders to complete the necessary documentation. Given the time since the original project proposal it was requested to extend the funding to 2027 from the original date of

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2026 and the project budget was adjusted accordingly without the need for any additional investment; this was approved by both the SDF and Coventry Diocesan Synod. Significant effort also went into the reporting and measurement framework that the SDF required, not least to enable us to be ready for the first formal SDF review of the Programme which took place in early Jan 2023 and will subsequently be held annually.

Of course, the real work takes place in the parishes and while two of the four leaders had been licensed in 2021 for the most part the recruitment of the lay staff took place during 2022 and it wasn't until the autumn of 2022 that all projects were up and running. The four churches are all very different and have very different mission plans but share very similar goals which include training new leaders by providing placements for Mission Apprentices as well as numerical growth of children and adults.

By the end of the year the progress made was already encouraging. In Tile Hill the parish of St Oswald's, which is a traditionalist Anglo-Catholic church in an urban priority area, had made huge strides rebuilding relationships with the local community. Both St Peter's Hillfields and Risen Christ Wyken, which were "planted" from St Mark's Resource Church, started a second Sunday service. The fourth church plant is in Bedworth where the aim is to start new congregations from scratch and by the end of the year the preparations were well underway for the launch of Messy Church which started in Jan 2023.

In addition to the four urban plants, six Mission hubs were delegated by Bishop Christopher in early 2021 as part of the growth strategy. In 2022 the focus was on recruitment to the posts of Assistant Minister, setting up the flight plans and rhythms of meeting and accountability. These rhythms are now set up. Five out of the six mission hubs have now appointed Associate Leaders, and the last hub has interviews upcoming. Early hub activity has included leader resourcing events at the Leamington Hub, a good response to connections between rural churches, and the early stages of developing relationship between St Laurence's hub and St Paul's Foleshill and St Thomas Longford.

In 2021 Coventry partnered with St Marks in working to create a pipeline for lay leader training. 2022 was the end of academic year 1 and the beginning of year 2 of this pilot scheme. The programme is based on the principles of investing in students' heads, hands, and hearts, building a centre for high quality teaching and learning at the heart of the Diocese. St Marks Academy has seen steady growth in student numbers and is currently training a cohort of 11 leaders. Particularly encouraging is a strong ethnic and gender diversity. This project is showing strong early signs of developing a leadership pipeline to resource urban plants and other churches in the Diocese. As well as the four urban plants, St Marks Academy has worked with St Paul's, Leamington and St Martin's, Finham and there is potential to develop these partnerships wider across the Diocese.

Growing Leaders

During 2022, following the arrival of Rob Harrison as Director of Ministry & Leadership, a diocesan framework for lay ministry has been researched, developed and implemented. The *Lay Ministries Framework* places parish clergy at the heart of a drive to release, recognise and resource the ministries of Lay People within and beyond our churches. To resource this commitment to *recognise* Lay Ministry, we have introduced 'Commissioning' as a level of recognition that lies between informal 'permission' and legal 'licensing'. Lay ministers can be commissioned locally, for an agreed period of time, to a specific ministry. As part of our commitment to resource the ministries of our lay leaders, the Ministry & Leadership team has redesigned the Bishop's Certificate in Discipleship & Ministry (BCDM) to offer a set of role-specific learning/training pathways. (Bishop's Certificates in: Preaching, Leading Worship, Community Ministry, Youth & Children's Work, Bereavement Ministry, Pioneering & Evangelism, and Spiritual Accompaniment.) These pathways will be developed and opened during 2023.

During 2022 our Director of Ordinands (Mark Norris) and New Ministries Lead (Susan Bowden-Pickstock) have restructured the processes for discerning vocations and providing initial ministerial development for

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curates. At the start of the year we had more people exploring vocations to ordination than we had capacity to formally discern. Mark has restructured the diocese's discernment programme to meet the demands of the new national process, with 32 people participating in the autumn group stage. Susan has redesigned the training and formation programme for curates within the diocese. The new programme provides high quality training, learning and formation, tailored to the needs of each cohort and engaging the expertise within the diocese.

During 2022, the Director of Ministry & Leadership, Rob Harrison, explored and developed a new structure for continuing ministerial development (CMD). The new programme, which was trialled during the autumn term, offers focussed training, learning and formation for both clergy and lay leaders in key areas of their ministry. The programme has been designed to honour and engage the skills and expertise of diocesan clergy and licensed lay leaders, to reduce isolation, and to encourage mutual support. In addition to a termly programme of CMD events, we have introduced a pattern of mutual supervision for clergy, and a process of need-focussed mentoring.



Renewed Relationships, as we transform communities

Working with refugees and migrants

The Fresh Start project, working with refugees and migrants, has continued to support people with English as a Second Language (ESOL) classes, conversation English groups and football (to enable integration and mental and physical wellbeing). As a result, working with Youth with a Mission (YWAM) and St Peter's Church in Hillfields, a new One Family Church started in January 2021 and has grown to 50-60 people from many different languages. The service is translated into Farsi, Spanish and French and has been a successful program bringing about community cohesion.

Helping students, children and families in Nuneaton

Our charity partner Together for Change continued their transformative community work. In particular, the Saints Nuneaton regeneration project received £1.8m of Levelling Up funding from local and national government funds. This funding will enable the purchase of the building and renovations for the derelict upstairs hall, thereby bringing in sustainable income into the centre. Activities within the centre involve;

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after school youth work 3 days a week with 50 young people daily, weekly food hamper distributions to mitigate the cost of living crisis for 40 families per week, training and educational workshops and activities, free family support activities such as mother and baby support groups and finally warm hub activities supporting the elderly and vulnerable. All of this is done in the Saints café environment, where young people and volunteers are trained in hospitality.

Celebrating life in the Offchurch Group

The Offchurch group is made up of five different villages; Offchurch, Wappenbury, Weston, Hunningham and Eathorpe. Over the last few years there has been a desire to bring the separate church families together, to be stronger as a single entity with a variety of skills to reach into the local communities.

So, on the weekend of the 24th and 25th September, the Offchurch group of churches and their local communities gathered together at Offchurch Village Hall for a celebration of life. The weekend, entitled 'Celebrate Life!' featured many different activities, events and community groups and attracted people of all ages.

On Sunday 25th, Bishop Christopher joined for Sunday worship and dedicated a new church kitchen which will allow the Offchurch group to further reach out to the community. Guests who attended the 'Celebrate Life' weekend had a great time.



Working towards net zero

The Diocesan Environment Group has continued its work to encourage people to take seriously our God-given vocation to care for the earth. They have been supported by the net zero steering group who are co-ordinating work to measure and reduce our carbon footprint.

Key highlights include:

- Diocesan staff working with parishes and deanery environmental reps to encourage submission of 2022 parish energy-use data to the Energy Footprint Tool (EFT) including an ongoing communications campaign.
- Collection of 2022 energy use data from our schools, offices, clergy housing and in-scope travel, and input into the Energy Toolkit.
- Identification of top 20% emitting churches (based on 2021 EFT). Target churches from within the top 20% will receive support to develop detailed net zero carbon action plans.
- Promotion of the [HeatHack](#) programme (funded by Royal Academy of Engineering).
- Ongoing promotion of free Green Journey energy audits and the Eco Church programme.
- Revision of Church Improvement Fund to include a Net Zero specific grant stream. A two-stage application process provides technical support to parishes as they prepare applications. Maximum grant increased from £5k to £25k.
- Energy Performance Certificates (EPCs) conducted on all clergy housing, with budget allocated (2023) to engage consultant to review EPC data and work with Property Team to produce a costed housing plan and for works on two pilot clergy houses, to act as case studies.
- Commitment from Diocesan Synod to maintain disinvestment position.

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St George's, Rugby gets solar panels



In early 2022, the PCC of St George's Church in Rugby installed solar panels on to the roof of the church, one of the first such projects across the diocese. The solar panels were part of a wider strategy by the PCC to reduce their carbon footprint and seek to reach Net Zero carbon emissions by 2030.

1.4 SUMMARY OF FINANCIAL PERFORMANCE

The financial result in 2022 was a deficit of £921,000 (2021: deficit £316,000), which was partly offset by the release of £2,111,000 (2021: £1,511,000) of historic funds. This release was approved by Diocesan Synod in November 2022 to cover a reduction in income from Parish Share, due to a combination of lower offers from parishes followed by a lower than expected collection rate during the year.

The cost of mission and ministry increased by 20% to £7,273,000 (2021: £6,052,000) (Note 5b to the Financial Statements), with expenditure on interregnum works on parsonages increasing as costs of building repairs escalated significantly. Associated with clergy moves are the appointment and retirement costs for clergy, which increased by 6% to £185,000 (2021: £175,000). The average number of clergy in post during 2022 increased to 116 (2021:105) Costs in support of mission and ministry (Note 5c), increased by 41% to £3,607,000 (2021: £2,553,000), mainly due to an increase in grants awarded to parishes, as planned missional activity returned to pre-pandemic activity.

The value of Designated Funds increased to £17,014,000 (2021: £16,094,000), primarily due to the transfer of a further £500,000 to the Cathedral "Endowment" Fund and £141,000 Bungalow sale held for Diocesan Board of Education (DBE) (Note 16 to the Financial Statements). Restricted Funds at the end of the year amounted to £4,586,000 (2021: £4,205,000). Notable items within Restricted Funds included the receipt of Capacity funding from the Church Commissioners to help with initial set up costs of the Strategic Development Fund (SDF) City Church Plant project and provide funding for a Programme Manager and the Director of New Worshipping communities. Lowest Income Community (LINC) funding increased during the year.

The Endowment Funds (Note 16 to the Financial Statements) were valued at £70,836,000 at the end of the year, (2021: £77,013,000). The main movements included, losses on revaluation of investment assets of £4,525,000 (prior year gain 2021: £5,649,000), actuarial movements on the Church of England Clergy Pension scheme of £203,000 (2021: £6,000) and release of £4,540,000 of Endowment Funds of which £2,429,000 (2021: £2,136,000) is investment income, which forms part of the total return on the Diocesan Stipends Fund. Note 18 explains the full impact of total return on these accounts.

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Principal Funding Sources

The principal sources of funding in 2022 came from Parish Share £4.8m, 43% (2021: £4.9m, 53%), investment income of £2.541m, 23% (2021: £2.247m, 24%), £1.3m, 12%, from Church Commissioners (2021: £0.8m, 9%), and £2.532m, 11%, from other sources (2021: £1.361m 14%). Other sources of income include parochial fees from weddings and funerals, rental income from the letting of houses whilst not occupied by clergy, restricted income from The King Henry VIII Endowed Trust, used to meet costs in the Warwick area, surplus on the sale of Daventry Road and Little Pittern vicarages and various other grants and donations.

Parish Share

Total parish share income received was £4.777m, (2021: £4.987m which was a £210,000 reduction on 2021). This includes amounts received that related to parish share allocated for previous years, but excluded amounts received after the 31 December 2021 cut-off date. Total parish share receipts amounted to 90% of the allocation (2021: 93%). Deaneries continue to indicate that they are struggling to meet Parish Share allocations. No Parish Share relief was given during the year, compared to £154,587 in 2021.

The Diocese has continued to promote the Parish Giving Scheme, a direct debit scheme that encourages individual church members to review their giving regularly and also provides an efficient way for parishes to receive Gift Aid on gifts received.

Investment Income

Investment income was £2,541,000 (2021: £2,247,000) and derived from both equities and Glebe assets. After allowing for Glebe management fees and other Glebe operating costs, net investment income was £2,206,000 (2021: £1,958,000). Net investment income from Glebe investment increased to £1.235m during the year as a result of decreased costs of maintaining farm dwellings and repairs to farm buildings. (2021: £914,000). Other investment income, which includes interest and dividends, increased to £1,162,000 (2021: £1,089,000), as a result of increased interest from holdings in the CCLA deposit account.

In 2022 total return performance (gross) for investment funds in which the DBF is invested was as follows.

- CCLA's CBF Church of England Investment Fund: -9.16% (2021: 17.46%)

This is against a benchmark of long term total return of inflation (CPI) plus 5% per annum before costs.

During the year the DBF no longer invested in the following funds

- CCLA's CBF Church of England Global Equity Income Fund: (2021: 19.20%)
- CCLA's CBF Church of England UK Equity Fund: (2021: 21.25%)

Investment objectives and investments held

The DBF's investment objective, with respect to amounts available for investment, is to safeguard capital values in real terms over the long term and to provide real growth in net income, whilst complying with the Church of England Ethical Investment Policy.

Investments are principally held in Glebe properties and in investment funds. The investment funds are managed by CCLA Investment Management Limited and are diversified funds for charities, invested mainly in equities, but also in fixed interest securities, property and other assets. There are no holdings in Fossil Fuels. Glebe investment properties comprise agricultural, commercial and residential land and buildings.

The total value of investments shown on the Balance Sheet at 31 December 2022 was £68.8 million (2021: £76.4 million) of which £64.6 million was permanent endowment (Note 12 and Note 16).

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Following the approval of a Total Return approach to investments in the Diocesan Stipends Fund, and a further subsequent discussion at Bishop's Council, the trustees agreed that historic unapplied return of £2,111,000 (2021: £1.5m), plus the income investment returns that would ordinarily be recognised in the 2021 accounts if total return had not been adopted, would be recognised as income in the 2022 accounts.

Stipendiary clergy headcount

The full time equivalent (FTE) number of office holders in the Diocese who were stipendiary clergy or licensed lay workers in 2022 was 116 (2021: 105), which includes two Archdeacons. The average number of curates was 24.5 (2021: 21) reflecting the diocese's commitment to increase the intake of clergy over the coming years.

House for Duty Clergy, Self-Supporting Ministry and volunteers

Whilst acknowledging that many of our self-supporting ministers are office holders and living in their own houses, there are office holders that the DBF provide with houses. In 2022 there were 7 (2021: 9).

It cannot be underestimated that the activities of the Church of England across the Diocese of Coventry depend hugely on the generosity of our retired clergy, self-supporting ministers, Readers and lay ministers. The value of this time, to the Diocese as a whole and in particular to the DBF, cannot be quantified and recognised in the financial statements. The DBF is grateful to all those whose contribution is essential to the mission of the whole Diocese.

Pension schemes

All stipendiary clergy in the Diocese, some clergy employed in central diocesan posts and some licensed lay workers are members of the defined benefit Church of England clergy pension scheme. The contribution to this scheme in 2022 was £9,342 (2021: £10,031) per full time stipendiary clergy member. If they are not members of the clergy pension scheme, the DBF's permanent staff are members of the Church Workers Pension Fund. Further details of both Schemes are in note 2 to the Financial Statements. DBF staff employed on temporary or short-term contracts, who have qualifying earnings or the right to opt in, are enrolled in the National Employment Savings Trust (NEST - the workplace pension scheme set up by government).

Reserves policy and the General Fund position at the year end

The funds held by the DBF at 31 December 2022 comprise the following:

Endowment funds totalling £70,836,000. This amount includes expendable endowment of £6,217,582 relating to the Parsonages Housing Fund and permanent endowments of £64,618,000. The permanent endowment includes £63,835,000 relating to the Diocesan Stipends Fund of which £40,420,000 is unapplied total return. The Trustees can apply the unapplied total return to the Diocesan Stipends Fund Income Account, to use for the restricted purpose of payment of clergy stipends, houses and the management and maintenance of Glebe property.

Restricted Funds totalling £4,586,000, to be spent in accordance with the donor's wishes.

Unrestricted funds of £18,674,000, which includes £17,014,000 of designated funds that relate substantially to operational properties and are therefore illiquid.

The objective of the DBF's reserves policy is to ensure adequate working capital resources. During 2022, the policy was to ensure the General Fund remained within a range equivalent to two and a half to three and a half months' worth of operating costs, as approved by Diocesan Synod for the ensuing year. This policy has been reviewed and has been left unchanged.

Diocesan Synod approved a maximum sum to be spent from operating funds in 2023 £12.063m (2022 £11,068m) The balance in the General Fund at 31 December 2022 was £1,660,000 which represents approximately two months of planned spending and is therefore below the bottom of the policy target range.

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1.5 PLANS FOR THE FUTURE and FUTURE COMMITMENTS

In 2022 work commenced on refreshing the Whole Diocese Strategy and strategic objectives. With the engagement of Bishop's Council and Diocesan Synod, an annual cycle of listening, planning and approving was developed, and a strategic framework was created to help us work together as a whole diocese to achieve Bishop's Christopher's vision of **restored health, new growth and renewed relationships**.

[Our Shared Future](#) was formally adopted towards the end of 2022, with the first phase of listening to be launched in early 2023. The strategic framework identifies the support we have committed to giving to our parishes and nine key strategic commitments, which collectively provide a framework for the whole diocesan family to come together to deliver our mission purpose and achieve the Bishop's vision over the coming years.

Core Support

- *Safeguarding* – Providing safeguarding training and advice, managing casework; and helping parishes to respond to concerns and allegations
- *Finance* – Paying grants, stipends and pensions; managing investments; administering parish share; and producing budgets, reports and accounts
- *Housing* – Maintaining and improving our vicarages and other clergy houses
- *Ministry* – Releasing, recognising and resourcing lay ministry; discerning vocations; training ordinands and curates; managing clergy appointments; providing continuing ministerial development; providing HR support
- *Church Buildings* – Advising about the care and development of churches (including the DAC); helping to find grants
- *Communications* – Sharing news, information and resources with parishes; maintaining the diocesan website, Equip Hub and social media channels
- *Governance* – Arranging meetings and providing briefing papers for Diocesan Synod, Bishop's Council, and statutory diocesan committees

Focused Strategic Support

- *Healthy communities* – meeting the social, spiritual and practical needs of those we serve
- *Healthy churches* – promoting the essential qualities of church health
- *Healthy people* – nurturing the wellbeing of everyone who serves the work of the diocese
- *New worshipping communities* – reaching out to those who are missing
- *Children, young people and families* – inviting them to come on a faith journey
- *Growing leaders* – enabling and equipping both new and current leaders
- *Loving one another* – being a reconciling presence in the heart of our communities
- *Renewing generosity* – supporting others with our time, talents and money
- *Renewing the environment* – restoring environmental balance, both locally and globally

In 2023, the strategic framework articulates the work we will be undertaking in each of the nine key commitments. Progress will be monitored through an annual plan which will be reported to the Bishop's Strategy Integration Group and Bishop's Council.

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SECTION 2: GOVERNANCE REPORT

2.1 COMPANY LEGAL STATUS

The DBF was incorporated on 12 October 1936 as a charitable company (No. 319482) limited by membership guarantees and its governing documents are the Memorandum and Articles of Association. The DBF is registered with the Charity Commission (No. 247828). The DBF has also been designated as the Parsonages Board for the Diocese of Coventry under the Repair of Benefice Buildings Measure 1972.

2.2 DIOCESAN SYNOD AND DBF MEMBERSHIP

The Diocese is governed in accordance with the Synodical Government Measure 1969, under which its governing body is the Diocesan Synod. Every Diocesan Synod member is a member of the DBF for company law purposes and has a personal liability limited to £1 under their guarantee as company members in the event of it being wound up.

The Diocesan Synod is made up of three Houses:-

House of Bishops: the Bishop of Coventry (President of the Diocesan Synod) and the Bishop of Warwick.

House of Clergy: 44 members, including the Chair of the House and seven ex-officio members (the Dean of Coventry, two Archdeacons, the Chair of the Diocesan Advisory Committee and the three diocesan clergy General Synod members). The remainder were elected by the houses of clergy of Deanery Synods.

House of Laity: 54 members, including the Chair of the House and six ex-officio members (the Diocesan Chancellor, the Chair of the Board of Finance, the Chair of the Board of Education and the three diocesan lay General Synod members. One member was nominated by the Bishop of Coventry (President of the Mothers' Union). The remainder were elected by the houses of laity of Deanery Synods.

Elected and nominated members of the Diocesan Synod hold office for a term of three years. The current term of office runs from 1 August 2021 to 31 July 2024.

The Diocesan Synod normally meets three times a year and its functions are to:

- Consider matters affecting the Church of England in the Diocese
- Act as a forum for debate of Christian opinion on matters of religious or public interest
- Advise the Bishop where requested
- Deal with matters referred by General Synod
- Consider the annual accounts of the DBF
- Consider and approve the DBF's annual budget

Diocesan Synod governs itself through Standing Orders, which were approved by Diocesan Synod on 19 July 2000, and amended on 14 March 2009. Through the Standing Orders, many of Diocesan Synod's responsibilities have been delegated to its Standing Committee, the Bishop's Council.

2.3 BISHOP'S COUNCIL AND THE TRUSTEES AND DIRECTORS OF THE DBF

The Bishop's Council is the senior committee of the Diocese. Under the Standing Orders of the Diocesan Synod its members have a number of concurrent roles. They are the members of the Standing Committee of Diocesan Synod, the trustees of the Charity for the purposes of charity law, the directors of the DBF for the purposes of company law, and the members of the Diocesan Mission and Pastoral Committee.

As the Standing Committee of the Diocesan Synod, the Bishop's Council is responsible for:

- Planning the business of the Synod and circulating the agenda and supporting papers for its sessions – this function is delegated to the Business Committee.

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- Initiating proposals for action by the Synod and advising it on matters of policy.
- Advising the President (the Diocesan Bishop) on any matter.
- Transacting the business of the Synod when not in session.
- Appoints members of committees and nominating individuals for election to committees.
- Carrying out such functions as the Synod may delegate to it.

As the Diocesan Mission and Pastoral Committee (DMPC) and in consultation with the eleven Deanery Mission and Pastoral Committees, the Bishop's Council:

- Advises the Bishop of Coventry on the deployment of clergy within the Diocese.
- Considers and authorises pastoral schemes.

As the Trustees and Directors of the DBF, the Bishop's Council:

- Takes responsibility for the activities of the DBF, including financial accountability as set out below.
- Manages funds and property held centrally in the Diocese.
- Prepares an annual budget for consideration and approval by Diocesan Synod, with estimates of expenditure and the income needed to finance that expenditure.
- Monitors income and expenditure against estimates in the budget approved by Diocesan Synod.
- Advises the Diocesan Synod on financial aspects of its policies and on any other matters referred to it.

Financial accountability responsibilities of Bishop's Council members as trustees and directors

The trustees of the DBF, who are also the directors of the DBF for the purposes of company law, are responsible for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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Membership of the Bishop's Council

The membership of the Bishop's Council is comprised of a maximum of 32 members as follows:

- 8 ex officio members
- 15 members elected by the Diocesan Synod (seven clergy and eight lay, in both cases with a minimum of two from each archdeaconry)
- up to 6 nominated members (three may be nominated by the Bishop of Coventry and one may be nominated by each of the Diocesan Advisory Committee, the Parsonages Committee and the Diocesan Board of Education)
- up to 3 members co-opted by the Bishop's Council.

The Chair of the DBF, one of the ex officio members of Bishop's Council, is nominated by the Bishop of Coventry and appointed by Diocesan Synod. During 2022, the Bishop's Council met five times as Bishop's Council and board of trustees and directors. The term of office of the members of Bishop's Council (excluding ex officio members) lasts for three years. Their term will end in 2024, upon the election of their successors. During the year and as at the date of this report the members of Bishop's Council were as follows:

EX-OFFICIO

President	The Rt Revd Dr Christopher Cocksworth
Bishop of Warwick	The Rt Revd John Stroyan
Archdeacon Pastor	The Ven Sue Field
Archdeacon Missioner	The Ven Barry Dugmore
Dean of Coventry	The Very Revd John Witcombe
Chair of the House of Clergy	The Revd Claire McArthur
Chair of the House of Laity	Phil Swards
Chair of the DBF	Simon Danks

NOMINATED MEMBERS

Nominated by DAC	The Revd Peter Walker
Nominated by Parsonages Cmte	The Revd Peter Walker
Nominated by DBE	Chris Edwards

BISHOP'S NOMINEES

The Revd Kate Massey
Emili Lowery

ELECTED CLERGY

The Revd Kay Dyer
The Revd Alison Evans
The Revd Barry Jackson
The Revd Jonathan Jee
The Revd Stephen Parker
The Revd David Poultny – *from October 2022*
The Revd Jo Parker
The Revd Stella Bailey - *to June 2022*

ELECTED LAITY

Chris Baker
Jo King
Ogechi Ngemegwai
Sue Williams
Sarah Mount
Tim Pollard
Marion MacLellan
Alex Suffell – *to November 2022*

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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CO-OPTED MEMBERS

No co-opted members

2.4 COMMITTEE STRUCTURE

There are a number of Diocesan committees which advise the DBF:

- **Business Committee** which considers the content of the agendas for Bishop's Council and the Diocesan Synod.
- **Audit and Risk Committee** which considers the appointment of the auditor, the audit fee, the nature and scope of the audit, reviews the annual financial statements prior to submission to Bishop's Council and keeps under review the systems of internal control and risk management.
- **Diocesan Finance Group (DFG)** which monitors the finances of the DBF and advises Bishop's Council on financial matters, in particular the application of the Deanery Share system and matters relating to the Church Fabric Fund.
 - **Investment Sub-Committee (ISC)** which oversees investment strategy and policy.
- **Conditions of Employment Group (COEG)** which deals with the terms and conditions of employment, including remuneration, of staff employed by the DBF and annual increases to clergy stipends in line with increases in the cost of living, except the Diocesan Secretary (whose terms and conditions of employment, including remuneration, are reviewed by the Chair of the DBF and the Diocesan Bishop).
- **Diocesan Advisory Committee for the Care of Churches (DAC)** which advises on the repair and improvement of places of worship, their contents and churchyards, with a view to the furtherance of the Church's mission and the protection of the nation's heritage.
- **Net Zero Steering Group (NZSG)** which oversees the diocesan response to the Church of England target of achieving net zero carbon by 2030.
- **Diocesan Environment Group (DEG)** which encourages the Diocese in its vocation to care for the earth.
- **Diocesan Mission Fund Committee (DMFC)** which considers matters relating to Diocesan Mission Fund, Church Improvement Fund and Offa House Spirituality Capital grants, making decisions on grants of up to £10,000 and recommendations to Bishop's Council for grants above this level.
- **Glebe Committee** which oversees the management of Diocesan Glebe investments, under the powers laid down in a scheme under the Endowments and Glebe Measure 1976
- **Parsonages Committee** which considers policy, repairs and improvements in relation to parsonage houses, under powers laid down in a scheme under the Repair of Benefice Buildings Measure 1972.

2.5 DIOCESAN SECRETARY AND STAFF

The Diocesan Secretary serves as the Secretary to Diocesan Synod and Bishop's Council and as Chief Executive Officer and Company Secretary of the DBF. The Diocesan Secretary and her staff carry out the day-to-day work of the DBF. They consult regularly with the Chair of the DBF and the various diocesan committees. Whilst senior staff have job titles incorporating the word 'Director' they are not directors of the company for the purposes of company law or trustees of the charity for the purposes of charity law. For information relating to staff headcount and costs, see note 10 to the financial statements.

The Diocesan Secretary was Ruth Marlow until her retirement on 28 February 2022. Jacqueline Ladds has been Diocesan Secretary and CEO since her appointment on 23 May 2022.

In 2022 there was one staff member employed under joint working arrangements by the Leicester Diocesan Board of Finance (company registered number 227087; registered charity number 249100). These arrangements are regularly reviewed and continue to be an effective method generating economies of scale without detriment to the service provided.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2022

2.6 RELATED PARTIES

Coventry Diocesan Trustees (Registered)

The Coventry Diocesan Trustees (Registered), registered charity number 249165, is the Diocesan Authority under the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964. The Trust is the custodian trustee holding property and funds on behalf of PCCs and the DBF.

Coventry Diocesan Board of Education

Coventry Diocesan Board of Education (the DBE – a company registered in England and Wales no. 3663851 and a registered charity no. 1091145) is a statutory body established under the Diocesan Boards of Education Measure 1991, responsible to Diocesan Synod. Its functions under this measure principally relate to the promotion or assistance in the promotion of education in the Diocese, which is consistent with the faith and practice of the Church of England and therefore consistent with the objectives of the DBF.

2.7 OTHER GOVERNANCE MATTERS

Charity Governance Code and Governance Review

The DBF will be undertaking a governance review during 2023, to ensure that the organisation has an effective framework in place to continue to fulfil our statutory obligations and enable us to work towards our identified priorities. The DBF will draw upon the Charity Governance Code during this review, as a tool to support continuous improvement. A Governance Handbook will be created which will further develop the training and induction for trustees, committee chairs and committee members.

Risk management

The trustees confirm that the risks to which the DBF is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures to manage those and other identified risks have been established and reviewed. The trustees review the risk register at least annually and delegate to the DBF leadership team day to day management of the risks the DBF is exposed to. In addition, the Audit & Risk Committee review the risk management processes and the risk register at least annually, and reports to the trustees on whether it is satisfied with its findings. Recommendations are made as a result of those findings. The principal risks identified are shown in Section 1.2 of this report.

Valuation of properties in the financial statements

Investment properties are stated in the balance sheet at fair value. All non-investment properties - parsonage houses, operational properties, houses for clergy held in Glebe and the diocesan offices – are freehold properties and are stated in the balance sheet at cost. In the opinion of the trustees the fair value of these non-investment properties is substantially in excess of cost, but the amount of this excess is not economically quantifiable.

Auditor

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees and directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

A resolution to reappoint Crowe LLP as auditor to the company and to authorise the Board of Directors to fix the auditor's remuneration will be proposed at the Annual General Meeting.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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2.8 REFERENCE AND ADMINISTRATIVE DETAILS

<i>Registered & Principal Office</i>	Diocesan Offices, 1 Hill Top, Coventry, CV1 5AB
<i>Telephone</i>	024 7652 1200
<i>Website</i>	www.coventry.anglican.org
<i>Company registration number</i>	319482 (England and Wales)
<i>Charity registration number</i>	247828 (England)
<i>Company Secretary</i>	Jacqueline Ladds – <i>from 23 May 2022</i> Ruth Marlow – <i>to 28 Feb 2022</i>
<i>Registrar and solicitors</i>	Mary Allanson – <i>to 31 Oct 2022</i> Jenny Dymond – <i>from 1 Nov 2022 (joint registrar prior to Nov 2022)</i> Rotherham & Co 8 & 9 The Quadrant, Coventry, CV1 2EG
<i>Auditor</i>	Crowe UK LLP Black Country House, Rounds Green Road, Oldbury, B69 2DG
<i>Bankers</i>	Bank of Scotland Pentland House, 8 Lochside Avenue, Edinburgh, EH12 9DJ
<i>Diocesan Surveyors</i>	Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Glebe Agent</i>	Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Insurers</i>	Ecclesiastical Insurance Office plc Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
<i>Investment Managers</i>	CCLA Investment Management Ltd Senator House, 85 Queen Victoria Street, London, EC4V 4ET Ecclesiastical Investment Management Ltd Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

SECTION 3: DIRECTORS' AND TRUSTEES' REPORT APPROVAL

This Trustees' and Directors' Report, including both the Strategic Report and the Governance Report, is approved by the trustees, by whose authority it is signed as below.



Mr Simon Danks

Chair of Coventry Diocesan Board of Finance Limited

12 June 2023

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

Opinion

We have audited the financial statements of Coventry 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 Statement of Cash flows 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 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 trustee's 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

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 light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper accounting records have not been kept; or
- the 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 set out on page 19, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context for the UK operations were employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Kerry Brown | Senior Statutory Auditor

For and on behalf of **Crowe U.K. LLP**
Statutory Auditor

Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG

Date: 30 June 2023

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

	Notes	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Income and endowments from:							
Donations							
Parish Share	4a	4,670	-	107	-	4,777	4,987
Church Commissioners	4b	177	-	1,108	-	1,285	829
Other grants and donations	4c	43	-	1,123	-	1,166	433
Charges for charitable activities	4d	391	-	-	-	391	354
Other trading activities	4e	470	141	-	-	611	574
Investments							
Investments income	4f	70	8	34	2,429	2,541	2,247
Total return allocated to income	18	-	-	2,429	(2,429)	-	-
Release of historic return	18	-	-	2,111	(2,111)	-	-
Surplus on sale of assets		-	364	-	-	364	-
Total		5,821	513	6,912	(2,111)	11,135	9,424
Expenditure on:							
Raising funds	5a	309	-	-	204	513	480
Charitable activities							
Mission and ministry	5b	3,480	-	3,793	-	7,273	6,052
Support for mission and ministry	5c	2,277	77	1,253	-	3,607	2,553
Contributions to Archbishop's Council	5d	508	-	-	-	508	467
Diocesan Board of Education	5e	155	-	-	-	155	187
Other	5f	-	-	1	(1)	-	1
Total		6,729	77	5,047	203	12,056	9,740
Net income before investment gains		(908)	436	1,865	(2,314)	(921)	(316)
Net gains on investments:							
Net (losses)/gains on revaluation	12	(284)	(15)	(162)	(4,064)	(4,525)	5,649
Surplus on sale of investments		-	-	-	-	-	138
Net income		(1,192)	421	1,703	(6,378)	(5,446)	5,471
Transfers between funds	19	825	499	(1,322)	(2)	-	-
Other recognised gains:							
Actuarial gains on defined benefit pension scheme	2	-	-	-	203	203	(6)
Net movement in funds		(367)	920	381	(6,177)	(5,243)	5,465
Reconciliation of funds							
Funds at 1 January	16	2,027	16,094	4,205	77,013	99,339	93,874
Net movement in funds		(367)	920	381	(6,177)	(5,243)	5,465
Funds at 31 December	16	1,660	17,014	4,586	70,836	94,096	99,339

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

	2022 Total £000s	2021 Total £000s
Total income	13,246	10,935
Total expenditure	11,853	9,493
	1,393	1,442
Net gains on investments	(4,525)	5,649
Net income/(deficit) for the year before transfers	(3,132)	7,091
Transfer to endowment funds	2	(203)
Net income/(deficit) for the year after transfers	(3,130)	6,888

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.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

	<i>Notes</i>	2022 £000s	2021 £000s
FIXED ASSETS			
Tangible fixed assets	11	19,244	18,288
Fixed asset investments	12	68,825	76,353
		<u>88,069</u>	<u>94,641</u>
CURRENT ASSETS			
Debtors	13	2,632	2,156
Cash and cash equivalents		5,096	3,952
		<u>7,728</u>	<u>6,108</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	14	(1,701)	(1,352)
NET CURRENT ASSETS		<u>6,027</u>	<u>4,756</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		94,096	99,397
Creditors: amounts falling due after more than one year	15	-	(58)
NET ASSETS	20	<u>94,096</u>	<u>99,339</u>
FUNDS			
Unrestricted funds:			
General Fund	16	1,660	2,027
Designated funds	16	17,014	16,094
		<u>18,674</u>	<u>18,121</u>
Restricted funds	16	4,586	4,205
Endowment funds	16	70,836	77,013
TOTAL FUNDS		<u>94,096</u>	<u>99,339</u>

The financial statements on pages 27 to 51 were approved by the Board of Directors and authorised for issue on and are signed on its behalf by:



Mr Simon Danks
Chair of Coventry Diocesan Board of Finance Limited
Date: 12 June 2023

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

	2022 £000s	2021 £000s
Cash flows from operating activities:		
Net cash generated by operating activities	(1,264)	(266)
Cash flows from investing activities:		
Proceeds from sale of fixed asset properties	788	-
Purchase of fixed assets	(1,383)	-
Proceeds from sale of investments	6,792	937
Purchase of investments	(3,789)	-
Net cash used by investing activities	2,408	937
Change in cash and cash equivalents in the year	1,144	671
Cash and cash equivalents at 1 January	3,952	3,281
Cash and cash equivalents at 31 December	5,096	3,952

	2022 £000s	2021 £000s
Analysis of cash and cash equivalents at 31 December		
Cash in hand	1,378	2,201
Short term deposits (less than 3 months)	3,718	1,751
Total cash and cash equivalents	5,096	3,952

	2022 £000s	2021 £000s
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movements in funds for the year	(5,243)	5,465
Adjustments for:		
Gains on investments	4,525	(5,787)
Profit on sale of fixed asset properties	(364)	-
Depreciation of fixed assets	3	2
Actuarial (gains)/losses on defined benefit pension scheme	(203)	(6)
Unwinding of pension liability discount	-	6
(Increase)/Decrease in debtors	(476)	198
Increase/(Decrease) in creditors	494	(144)
Net cash generated by operating activities	(1,264)	(266)

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

1. Principal accounting policies

Basis of accounting

The DBF is a charitable company and a public benefit entity. Therefore, the financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (FRS 102), the Companies Act 2006 and the applicable UK accounting standard (FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland). The financial statements have been prepared under the historical cost convention except that fixed asset investments are included at fair value at the balance sheet date. After making enquiries the trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Going Concern

The Trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Income

Income is included in the Statement of Financial Activities when the charity is legally entitled to it, receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

Parish share income

Parish share income for the year, or for previous years, include amounts received up to the 31 December.

Income from parochial fees

Income from parochial fees is accounted for when received.

Grants (receivable)

Grant income is accounted for when the formal offer of funding is communicated in writing, any conditions related to the entitlement have been met, receipt is probable and the amount can be measured reliably.

Donations, legacies and similar income

Income from legacies is recognised when the DBF has been notified that there is a clear indication of the amount receivable. Donations and similar income are accounted for when received.

Investment income

Investment income is accounted for when receivable. Investment income from Common Investment Funds managed by CCLA Investment Managers Ltd is considered receivable when dividends are declared.

Deferred income

Income is recognised as deferred where the event or rental period to which the income relates occurs beyond the end of the financial period being reported on.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate similar costs under each category of the Statement of Financial Activities.

Grants (payable)

Grants payable, are accounted for either in full or in part, when authorised, when the award of the grant has been specifically communicated to the recipient or when paid if there is no communication to the recipient in advance, and when any condition attaching to the grant is outside the control of the DBF.

Support costs

These costs consist of indirect staff costs, office and IT costs and governance costs. They are allocated to categories of expenditure on the basis of the proportion of staff time spent on each area of activity.

Governance costs

The costs allocated to governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Operating leases

Payments under operating leases are charged against income as incurred.

Investment gains and losses

For investments that are not part of the Diocesan Stipends Fund Capital Account, realised gains or losses are recognised in the Statement of Financial Activities when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at the year end.

A total return approach has been adopted for the Diocesan Stipends Fund Capital Account. Part of the historic unapplied total return will be allocated to income in the year as determined by the Bishop's Council.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

Tangible fixed assets

Parsonage houses, operational properties and the diocesan offices

Parsonage houses, operational properties and the diocesan offices are held at cost or estimated cost. The cost of extensions which enhance the capital value of buildings is capitalised.

For parsonage houses, the legal title and right to beneficial occupation are vested in the incumbent, whereas the DBF is responsible for the maintenance and repair of such properties and can determine their subsequent use or sale. FRS 102 requires accounting treatments to follow the substance of arrangements rather than their strict legal form. Accordingly, parsonage houses are capitalised as tangible fixed assets.

Operational properties are houses owned by the DBF for occupation by stipendiary clergy and House for Duty priests. The Diocesan Offices are at 7 Priory Row, Coventry (which shares the postal address of 1 Hill Top, Coventry, CV1 5AB).

Depreciation

Depreciation is not provided on land and buildings as any annual or accumulated depreciation would not be material. This is due to the long estimated remaining useful economic lives and because the estimated residual values are not materially less than their carrying values and the buildings are unlikely to suffer from obsolescence. Disposals of buildings occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying values. The DBF has a policy of regular inspection, repair and maintenance of buildings, charges for which are included in expenditure in the Statement of Financial Activities.

Depreciation of non-property fixed assets is charged at rates estimated to write off their cost less any residual value evenly over the expected useful lives that are as follows:

IT and Telecommunications Equipment	3 years
Computer Software	3 years
Office Furniture and Fittings	5 years

Individual items of office equipment and furniture with a purchase price of £5,000 or less are written off in the year in which the assets are acquired.

Financial instruments

Fixed asset investments

Land and buildings held under the Endowments and Glebe Measure 1976 ("Glebe properties") are included at fair value. Glebe properties which are fixed asset investments are comprised of commercial properties and agricultural properties. Agricultural properties are predominantly land but include some agricultural buildings and residential properties. Glebe properties also include houses for occupation by clergy that are treated as tangible fixed assets. Unlisted shares in investment funds are included at fair value at the balance sheet date.

Current assets and liabilities

Debtors are measured at the transaction price less any impairment losses. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources. Creditors are measured at the transaction price less any amounts settled. For pension liabilities, see note 2.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with any qualifying institution repayable on demand without more than seven days' notice or penalty.

Pension Schemes – see note 2.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

Fund accounting

The *General Fund* is an unrestricted income fund which receives income available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted income funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes below.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes below.

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

2. Pension schemes' accounting policy and significant estimates and judgements

The DBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other two are for lay staff and are separate sections of the Church Workers Pension Fund – one a final salary scheme and the other a deferred annuity scheme. All three of these schemes are multi-employer defined benefit pension schemes for which the DBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. A valuation of each scheme, to determine future contribution levels, is carried out once every three years and the resulting report and recovery plan for any deficit is required to be completed within fifteen months of the valuation date. On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that formerly contracted-out schemes are required to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. In November 2020, the High Court handed down a further ruling concerning the equalisation of GMPs. This ruling requires Trustees to equalise transfer payments paid from schemes. This exercise will require a check on previous transfers paid and if appropriate pay a top-up transfer payment to the receiving scheme if the GMP element is deemed to be unequal.

Normally the Employer is required to reflect both the backdated and future costs of GMP equalisation arising from this judgment. However, since the DBF participate and are accounting as multi-employer defined benefit pension schemes this is not applicable. Any uplift in liability will be reflected in the financial statements once revised deficit recovery payment plans are issued.

Accounting policy

Where the scheme is in deficit and the DBF is required to make deficit recovery contributions, this obligation is recognised as a liability within creditors in the Balance Sheet. The amount recognised is the sum of the deficit recovery contributions payable, discounted to the net present value. The unwinding of the discount in each year, together with contributions required by the Pensions Board for the benefit in relation to pensionable service in the year, is recognised within expenditure in the Statement of Financial Activities. Changes in the pension liability due to changes in the discount rate used and due to inaccuracies and changes in the actuarial assumptions made by the Pensions Board are recognised as actuarial gains or losses in the Statement of Financial Activities.

The liability and movements in the liability are allocated to the Diocesan Stipends Fund Capital Account, an endowment fund held for investment return for the benefit of the Diocesan Stipends Fund Income Account which is expected to be sufficient to cover the DBF's future deficit recovery contributions. Deficit recovery contributions actually paid in the year are transferred from the Diocesan Stipends Fund Income Account to the Diocesan Stipends Fund Capital Account.

Church of England Funded Pension Scheme (CEFPS)

With effect from 1 January 1998, diocesan clergy became members of the new Church of England Funded Pensions Scheme. To enable this the DBF participates in this scheme and at 31 December 2022 was paying contributions for 134 members (2021: 120 members). The scheme provides benefits based on members' final pensionable stipends and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Pensionable stipends are

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

currently the National Minimum Stipend in the preceding year. Benefits are currently being accrued on the basis of half of the pensionable stipend being paid as the normal pension on reaching the age of 68, or 1.25 times this amount for archdeacons, plus a lump sum normally three times the pension payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 are provided by the Church Commissioners under the previous arrangements. Each participating entity in the scheme pays contributions at a common contribution rate applied to pensionable stipends, which are currently the same as the National Minimum Stipend of the previous year.

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

- An average discount rate of 2.7% p.a;
- RPI inflation of 3.6% p.a (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI 2020 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 and an allowance for 2020 data of 0% (i.e. w2020=0%)

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

% of pensionable stipends	January 2018 to December 2020	December 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. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

Church of England Funded Pensions Scheme pension liability movements:	2022 £000s	2021 £000s
Pension liability at 1 January	265	397
Deficit contributions paid	(125)	(139)
Interest cost	-	1
Remaining change to the balance sheet liability*	(140)	6
Balance sheet liability at 31 December	-	265
Due within one year	-	265
Due after more than one year	-	-

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. 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.

	2022	2021	2020
Discount rate	n/a	0% p.a	0.2% p.a
Price inflation	n/a	n/a	3.1% p.a
Increase to total pensionable payroll	n/a	-1.5% p.a	1.6% p.a

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

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

Church Workers Pension Fund (CWPF) - Defined Benefits Scheme

The defined Benefits Scheme ("DBS") section of the church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2018, the DBF had no active members, and has not admitted any further Coventry DBF staff to membership of this section of the scheme. There is one joint worker employed by Leicester Diocesan Board of Finance ("Leicester DBF") who is an active member of this section of the Church Workers Pension Fund.

The most recent scheme valuation completed was carried out as at 31 December 2019. The Leicester DBF contribution rate (affecting the cost of joint workers in this section of the Church Workers Pension Fund) is 30.8% of salary. A liability of £62,000 (2021:£62,000) has been accrued within Other Accruals for the DBF share of the deficit relating to joint workers in the scheme.

Church Workers Pension Fund

This scheme is administered by the Church of England Pensions Board, which holds the assets separately to those of the participating employers. There are two sections, the Defined Benefits Scheme, and the Pension Builder Scheme which has two subsections; a deferred annuity section known as Pension Builder Classic, and a cash balance section known as Pension Builder 2014 both of which are defined benefit schemes. Pension Builder Classic provides a pension accumulated from contributions paid and converted into a deferred annuity during employment. Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account plus any bonuses is payable, unreduced from age 65. There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

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

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

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

Valuation of glebe assets

Following a period of considerable economic turbulence, and as the UK is in a period of 0.1% growth (not in a recession) with high inflation at 10.5%. However, Bank of England (BoE) are predicting inflation is unlikely to rise much further and will fall in this year although remaining well above the 2% target set by the BoE and recent unprecedented increases in interest rates to 3.5% but the BoE is predicting the interest rates may increase to 4.5% this year to curb inflation, the benefit of good quality tenants on established leases, in well-maintained premises is likely to prove beneficial to investor Landlords during the next two to three years or so.

Furthermore, it is our belief that the portfolio is in reasonable shape to withstand the current economic challenges and provide a good return to the Charity.

3. Net Income

	2022 £000s	2021 £000s
Net income is stated after charging/(crediting):		
Auditor's remuneration for the audit	18	18
Depreciation	3	1
Hire of office equipment	2	4
Surplus on disposal of tangible fixed assets	(364)	-

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

4. Analysis of income

a Parish Share

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Parish share assessed for the year	5,119	-	107	-	5,226	5,377
Less shortfall in contributions	(527)	-	-	-	(527)	(440)
Received for the year	4,592	-	107	-	4,699	4,937
Arrears received in respect of previous years	78	-	-	-	78	50
	4,670	-	107	-	4,777	4,987

b Grants from Church Commissioners and Archbishops' Council

This reflects monies from Church Commissioners and Archbishops' Council which are used in the following activities:

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Ministry Division funding of curates	133	-	-	-	133	130
Mission to Lowest Income Communities grant	-	-	412	-	412	398
Ordination Training Grant (see note 17)	-	-	387	-	387	269
Hardship Fund	-	-	309	-	309	-
Contribution to Bishop's Legal costs	44	-	-	-	44	32
	177	-	1,108	-	1,285	829

c Other grants and donations

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
King Henry VIII Endowed Trust	-	-	227	-	227	291
Benefact Trust	118	-	-	-	118	111
Strategic Development Fund	-	-	1,250	-	1,250	-
Serving Christ	-	-	(358)	-	(358)	-
Other grants and similar income	(75)	-	4	-	(71)	31
	43	-	1,123	-	1,166	433

Serving Christ income of (£358k) is a release of previously accrued income due to an expected underspend over the course of the programme which is due to end in June 2023.

d Charges for charitable activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Parochial fees	391	-	-	-	391	333
Churches closed for public worship	-	-	-	-	-	3
Contributions to expenditure	-	-	-	-	-	18
	391	-	-	-	391	354

e Other trading activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Rental income (non-investment properties)	200	-	-	-	200	351
Recharged payroll costs	146	-	-	-	146	159
Training	5	-	-	-	5	8
DBE (Proceeds of St Barts bungalow)	-	141	-	-	141	-
Sundry income	119	-	-	-	119	56
	470	141	-	-	611	574

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

f Investments

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Glebe property income	-	-	-	1,379	1,379	1,158
Unlisted securities	64	3	13	1,050	1,130	1,032
Bank and deposit interest	6	5	4	-	15	35
Other property income	-	-	17	-	17	22
	70	8	34	2,429	2,541	2,247

5. Analysis of expenditure

a Raising funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Glebe operating costs	-	-	-	145	145	188
Glebe management fees	-	-	-	59	59	58
Parsonage rental costs	76	-	-	-	76	45
Support costs	233	-	-	-	233	189
	309	-	-	204	513	480

b Mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Clergy stipends costs (see note 9)	-	-	3,766	-	3,766	3,670
Curates stipends costs (see note 9)	761	-	-	-	761	618
Clergy housing	2,023	-	27	-	2,050	1,131
Clergy appointment & retirement costs	185	-	-	-	185	175
Staff costs (see note 10)	148	-	-	-	148	151
Fees to retired stipendiary clergy	33	-	-	-	33	24
Other clergy diocesan expenses	80	-	-	-	80	108
Support costs	250	-	-	-	250	175
	3,480	-	3,793	-	7,273	6,052

c Support for mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Department costs	113	-	82	-	195	232
Staff costs (see note 10)	691	-	248	-	939	995
Grants (see note 7)	616	77	914	-	1,607	680
Churches closed for public worship	-	-	9	-	9	28
Support costs	857	-	-	-	857	618
	2,277	77	1,253	-	3,607	2,553

d Contributions to Archbishops' Council

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Training for ministry	249	-	-	-	249	190
National Church Responsibilities	142	-	-	-	142	162
Grants and provisions	20	-	-	-	20	20
Mission agencies' pension costs	10	-	-	-	10	10
Retired clergy housing & other costs	87	-	-	-	87	85
	508	-	-	-	508	467

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

e Diocesan Board of Education

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Grants (see note 7)	127	-	-	-	127	159
Support costs	28	-	-	-	28	28
	155	-	-	-	155	187

f Other

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s	2021 Total £000s
Unwinding of pension liability discount	-	-	-	-	-	1
Sundry costs	-	-	1	(1)	-	-
	-	-	1	(1)	-	1

6. Analysis and allocation of support costs

	Raising funds £000s	Ministry & mission £000s	Support for ministry & mission £000s	Education £000s	2022 Total £000s	2021 Total £000s
Governance, management & finance						
Staff costs (see note 10)	117	50	232	26	425	439
Other costs	55	38	212	2	307	154
Office						
Staff costs (see note 10)	22	137	211	-	370	236
Other costs	39	25	202	-	266	181
	233	250	857	28	1,368	1,010

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

7. Grants awarded

	2022 Total £000s	2021 Total £000s
To parishes and other organisations in the Diocese		
<i>Mission and ministry in parishes</i>		
Mission to Lowest Income Communities grants	321	7
Diocesan Mission Fund grants to parishes	47	-
20s-30s development work	-	19
Hardship Fund	392	
Bishop's Mission Fund grants to parishes	-	3
Block Grant	201	-
Urban Church Plants	37	-
Strategic Development Fund	29	-
Other grants to parishes	43	-
<i>Church land and buildings</i>		
Church Improvement Fund grants for ten churches (2021: ten churches)	30	5
City Church grants	30	-
Other church building developments	-	7
Church Fabric Fund grants for four churches (2021: four churches)	37	17
<i>Other organisations in the Diocese</i>		
Coventry Diocesan Board of Education	127	159
Together for Change	30	30
Coventry Cathedral	158	120
	1,482	367
To other institutions		
Syrian Orthodox Christian School	-	9
	-	9
To individuals		
For support of ordinands in ministerial training	208	452
Other grants to clergy and readers	44	10
Lay retreat grants	-	2
	252	464
	1,734	840

Summarised by fund type:	General Fund £000s	Designated funds £000s	Restricted funds £000s	2022 Total £000s	2021 Total £000s
Support for mission and ministry					
Mission and ministry in parishes	109	47	914	1,070	29
Church land and buildings	67	30	-	97	29
Other organisations in the Diocese	188	-	-	188	150
Other institutions	-	-	-	-	9
Individuals	252	-	-	252	464
	616	77	914	1,607	681
Diocesan Board of Education					
Other organisations in the Diocese	127	-	-	127	159
	127	-	-	127	159
	743	77	914	1,734	840

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

8. Trustees' emoluments and expenses

None of the trustees received any emoluments from the DBF for services performed as directors (2021: £nil).

The parochial clerical members who are trustees of the DBF and the archdeacons are in receipt of a stipend, housing and other payments made to clergy paid by the DBF by virtue of their office. The DBF provides housing for the Suffragan Bishop by virtue of his office.

No trustees received travel expenses related to activity as trustees of the DBF (2021: nil). Two trustees received a total of £861 in the year for travel and other expenses in connection with their membership of the General Synod of the Church of England, membership of which is not connected with their membership of the Board (2021: two and £787). Fourteen trustees received a total of £493,192 in connection with other offices held in the Diocese (2021: eleven and £435,807). These amounts were for stipends, accrued pension benefits, housing, expenses and sundry grants for resettlement and ministerial development.

9. Clergy headcount and costs

The average full time equivalent number of stipendiary clergy who were office holders in the Diocese was 116 (2021: 105); this included two (2021: two) archdeacons.

	2022 Total £000s	2021 Total £000s
Stipends	3,138	2,937
Social security costs	268	244
Pension contributions	1,121	1,108
	4,527	4,288

10. Staff headcount and costs

a Staff numbers based on headcount

	2022 Headcount	2021 Headcount
Staff employed directly:		
Mission and ministry	11	9
Support for mission and ministry	19	22
Central support	11	11
	41	42
Staff employed via third parties		
Central support	2	2
	43	44

b Staff costs

	2022 Total £000s	2021 Total £000s
Staff employed directly:		
Salaries	1,510	1,443
Social security costs	150	139
Pension contributions	140	131
	1,800	1,713
Staff employed via third parties		
For service in the year	87	106
	1,887	1,819

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

11. Tangible fixed assets

	Parsonages £000s	Glebe houses £000s	Operational properties £000s	Diocesan offices £000s	Office equipment £000s	Total £000s
Cost						
At 1 January 2022	6,219	928	10,295	846	237	18,525
Additions	-	-	1,327	-	56	1,383
Transfers	-	-	-	-	-	-
Disposals	-	-	(424)	-	-	(424)
At 31 December 2022	6,219	928	11,198	846	293	19,484
Depreciation						
At 1 January 2022	-	-	-	-	(237)	(237)
Charge for year	-	-	-	-	(3)	(3)
At 31 December 2022	-	-	-	-	(240)	(240)
Net book value						
At 31 December 2022	6,219	928	11,198	846	53	19,244
At 31 December 2021	6,219	928	10,295	846	-	18,288

All tangible fixed assets were used for direct charitable purposes.

12. Fixed asset investments

	Glebe properties £000s	Unlisted investments £000s	Total £000s
Fair value at 1 January 2022	34,159	42,194	76,353
Additions at cost	-	3,789	3,789
Disposals at cost	(402)	(6,153)	(6,555)
(Losses)/Gains on revaluation	(306)	(4,456)	(4,762)
Fair value at 31 December 2022	33,451	35,374	68,825

13. Debtors

	2022 Total £000s	2021 Total £000s
Glebe agents	471	423
Accrued grant income due within one year	1,614	1,078
Prepayments and accrued other income	57	437
CCLA dividend income accrued	261	-
Other debtors	229	218
	2,632	2,156

14. Creditors: amounts falling due within one year

	2022 Total £000s	2021 Total £000s
Trade creditors	423	224
Grant payment accruals	627	178
Other accruals	196	264
Deferred income	170	288
Taxation and social security	132	133
Pension contributions payable for the period	153	-
Pension liability (see note 2)	-	265
	1,701	1,352

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

15. Creditors: amounts falling due after more than one year

	2022 Total £000s	2021 Total £000s
Grant payment accruals	-	58
	-	58

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

16. Statement of funds

	At 1 Jan 2022 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 December 2022 £000s
GENERAL FUND	2,027	5,821	(6,729)	825	(284)	1,660
DESIGNATED FUNDS						
Operational Properties Fund	11,143	364	-	-	-	11,507
Cathedral "Endowment" Fund	4,500	-	-	500	-	5,000
Bishop's Mission Fund	31	4	-	-	-	35
Extra Mission & Ministry Support Fund	106	1	-	-	-	107
Diocesan Mission Fund	35	1	(33)	21	-	24
Church Fabric Fund	54	-	(38)	(7)	-	9
Church Improvement Fund	40	-	(7)	(15)	-	17
Bishop of Coventry's Link Dioceses Fund	5	-	-	-	-	5
Lambeth Conference Fund	20	-	-	-	-	20
Special Projects 2020	20	-	-	-	-	20
Clergy Holidays Fund	141	3	-	-	(15)	129
Diocesan Board of Education	-	141	-	-	-	141
Total designated funds	16,094	514	(78)	499	(15)	17,014
Total unrestricted funds	18,121	6,334	(6,806)	1,324	(299)	18,674
RESTRICTED FUNDS						
Serving Christ Fund	882	(358)	(336)	63	-	252
Mission to Lowest Income Communities Fund	583	413	(187)	(300)	-	510
Church Commissioners' Mission Fund	2	-	-	-	-	2
LINC DMF Fund	(1)	-	(11)	36	-	24
LINC NCD Fund	13	-	-	-	-	13
LINC CGDA Fund	14	-	(3)	-	-	11
LINC Stipends Fund	4	-	-	-	-	4
LINC Growth Strategy	300	-	(102)	300	-	499
Strategic Development Fund	-	1,250	-	-	-	1,250
Places of Peace Fund	7	-	-	-	-	7
Offa Capital Projects Fund	283	3	-	(33)	-	253
Offa Spiritual Renewal Fund	1,435	28	-	-	(156)	1,307
Syrian Orthodox Christian School Fund	11	4	-	(6)	-	9
SOCS Scholarship Fund	1	-	-	-	-	1
Companionship Link Funds	2	-	(1)	-	-	1
Retreat Grants Fund	17	-	(4)	-	-	13
The Reverend George Goode Fund	15	-	-	-	-	15
Ordination Training Grant Fund	17	387	(201)	-	-	203
DC Bonfield Bequest	58	1	-	-	-	59
Archdeacons' Discretionary Fund	53	1	(3)	-	(6)	45
Queen Victoria Clergy Fund	5	-	-	-	-	5
Diocesan Stipends Fund Income Account	331	-	(3,459)	3,128	-	-
Capacity Funding	170	-	(14)	(53)	-	103
Deanery Share Support Fund	-	107	(107)	-	-	-
Warwick Clergy Stipends & Housing Fund	-	227	(227)	-	-	-
Ministry Hardship/PCC Energy Fund	-	309	(392)	83	-	-
Total restricted funds	4,205	2,372	(5,047)	3,218	(162)	4,586

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

16. Statement of funds - continued

	At 1 Jan 2022 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 December 2022 £000s
ENDOWMENT FUNDS						
<i>Expendable:</i>						
Parsonage Houses Fund	6,218	-	-	-	-	6,218
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	70,132	2,409	(203)	(4,540)	(3,963)	63,834
Church of England Funded Pension Fund	(201)	-	-	(2)	203	-
Coventry Diocesan Endowment Fund	865	20	-	-	(101)	784
Total endowment funds	77,013	2,429	(203)	(4,542)	(3,861)	70,836
TOTAL FUNDS	99,339	11,135	(12,056)	-	(4,322)	94,096

* Transfers include £4,540k (2021: £3,621k) released to restricted funds in accordance with the DBFs total return policy.

17. Descriptions of Designated, Restricted and Endowment Funds

Designated Funds

Operational Properties Fund

This fund represents the cost of properties held for operational use by the DBF and by clergy not in parochial posts that otherwise would be held by the General Fund, including the houses occupied by the Suffragan Bishop and the archdeacons, but excluding Glebe houses for occupation by clergy, together with surplus cash from the sale of properties held for reinvestment in houses for curates and other clergy.

Cathedral "Endowment" Fund

With the loss of trading income for the Cathedral during the COVID 19 pandemic, the DBF intends to create a fund with a capital amount of £5m which is to remain under the control of the DBF. The income generated from the capital amount, currently invested with CCLA, will be granted on a quarterly basis to the Cathedral each year. It is expected that c£150k will be derived from these investments. This income can be used by the Cathedral on its normal running costs and in return the Cathedral will continue to provide Diocesan services, and work with parishes on the reconciliation ministry strategic objective across the Diocese. These funds can be undesignated, in agreement with the Cathedral, by the DBF in the future.

Bishop's Mission Fund

This fund has been established to support specific mission projects sponsored by the Bishop of Coventry.

Extra Mission and Ministry Support Fund

This fund enables the DBF to give financial support to those providing ministry and mission.

Diocesan Mission Fund

The Diocesan Mission Fund was set up in 2009 and has been replenished to fund applications for mission support from parishes.

Church Fabric Fund

This fund is normally used to make fabric grants to churches.

Church Improvement Fund

This fund is used to make improvement grants to churches for their buildings with the aim of increasing mission effectiveness.

Bishop of Coventry's Link Dioceses Fund

This fund is supported by transfers from the General Fund and relates to the Anglican Diocese of Kaduna and the Syrian Orthodox Diocese of Jerusalem.

Clergy Holidays Fund

This fund receives interest arising from the capital on the past sale of a flat in Bournemouth and a bequest received in 2005. It is used by the Archdeacons to make holiday grants to clergy and licensed lay workers.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

Restricted Funds

Serving Christ Fund

This fund has been set up as a result of a grant awarded in 2017 by the Church Commissioners towards the costs of the Serving Christ project, an extension of the existing diocesan strategy of growing healthy churches. The project aims to increase significantly the capacity for growth in existing and emerging churches across the diocese of Coventry, and also Ebbsfleet parishes in other Dioceses, by a focus on discipleship development.

Mission to Lowest Income Communities Fund

This fund is for grants received from the Church Commissioners during the 2017 to 2019 triennium for mission to lowest income communities in the Diocese.

New Church Building Funds

This fund is for monies received from the Stoke Aldemoor PCC for additional works on the new church building.

Church Commissioners' Mission Fund

This fund represents additional funds given to the DBF by the Church Commissioners that have arisen as a result of better returns on their investment assets and may be used to support parochial ministry and mission.

Warwick 20s-30s Development Worker Fund

This fund was set up in the year for income from The King Henry VIII Endowed Trust, Warwick to pay for the cost of a 20s and 30s development worker for the parishes of the Warwick Team and Budbrooke.

Offa Capital Projects Fund

The Trustees and Bishop of Coventry have set this fund using the proceeds of the Offa House sale. The capital and income from this fund can be used to fund capital projects that support the spiritual development of the members of the church in the Diocese of Coventry.

Offa Spiritual Refreshment Fund

This fund has been set up using the monies from the sale of Offa House. The capital and income from this fund is available to fund projects for children and or adults which develop their spirituality.

Syrian Orthodox Christian School Funds

The Mar Ephraim School is a Syrian Orthodox school that opened in Bethlehem in 2006. Donations to the main fund go to support the school and the Scholarship Fund is used to provide a bursary for a pupil. These funds were previously managed by Coventry Cathedral and were paid over to the DBF in December 2011.

Companionship Link Funds

These funds are funds raised to fund specific projects for the linked dioceses.

Retreat Grants Fund

This fund was set up with funds donated by the company which managed the former retreat house, for retreat grants for lay people who are not licensed and who are communicant members of the Church of England within the Diocese of Coventry.

The Reverend George Goode Fund

This fund represents money held for training and supporting the ministry of Readers in the Diocese.

Ordination Training Grant Fund

This fund is for the block grant received from the Archbishop's Council for training ordinands sponsored by the Diocese. The block grant is based on the number and age of ordinands sponsored by the Diocese and can only be used to fund training on Initial Ministerial Education Phase 1 pathways at accredited institutions approved by the Ministry Division of the Archbishops' Council.

DC Bonfield Bequest and Ordination Candidates' Fund

These funds enable the DBF to give financial support to those in training for the Ministry. The DC Bonfield Bequest funds came from the estate of Donald Charles Bonfield in 2006 and subsequent years.

Archdeacons' Discretionary Fund and the Queen Victoria Clergy Fund

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

These funds enable the Archdeacons and the Bishop to give discretionary grants to those in Parochial Ministry in need.

Diocesan Stipends Fund Income Account

This fund consists of accumulated income balances subject to the Diocesan Stipends Fund Measure 1953. It receives income specifically for support of stipends, in particular Glebe rental income and investment income from the Diocesan Stipends Fund Capital Account, and is charged with expenditure on Clergy stipends and the management and maintenance of Glebe property. The excess of expenditure over income is charged to the General Fund.

Capacity Funding

This fund has been set up as a result of a grant awarded in 2020 from the Church Commissioners to fund the first year of salary for the Programme Manager and the Director of New Worshipping Communities posts which form part of the Growth Strategy of the Diocese.

Deanery Share Support Fund

This fund has been set up as part of the Deanery Share system to assist deaneries that need support to cover the cost of parochial ministry posts with an allocation from the combined parish shares of deaneries that are able to contribute.

Warwick Clergy Stipends & Housing Fund

This fund receives income from The King Henry VIII Endowed Trust, Warwick to pay for stipend and housing costs of clergy in the parishes of the Warwick Team and Budbrooke.

Diocesan Board of Education

This fund consists of the proceeds from the sale of the site bungalow at St Bartholomew's CofE Academy and will be distributed from 2023.

Ministry Hardship/PCC Energy Fund

This fund represents funding received from the Church Commissioners to provide one off hardship grants to clergy & employees on lower income and grants towards PCC to help with the significant increase in energy costs.

Strategic Development Fund

This fund represents funding received from the Church Commissioners to provide six new Mission hubs with new associate ministers and four city church plants in Tile Hill, Bedworth, Wyken and Hillfields.

The following fund is still active but has a zero balance and there has been no activity during the year:

EE Bardsley Bequest

These funds were received in 2005 and 2006 from the estate of the late Mrs Edith Bardsley, widow of the late Bishop Bardsley, for use by the Coventry Diocesan Board of Mission, of which the DBF is the successor. Both capital and income may be used.

Endowment Funds

Parsonage Houses Fund

This fund represents the capitalised value of clergy housing for which the DBF has responsibility for maintenance.

Diocesan Stipends Fund Capital Account

This fund represents the value of property and investments held under the Endowments and Glebe Measure 1976. Historically, these holdings were held at parish level for the benefit of individual clergy stipends, but since the Measure they have been managed at Diocesan level for the benefit of all clergy paid for by the DBF.

Coventry Diocesan Endowment Fund

This fund is established to produce income applied for the augmentation of stipends. The assets of the fund are held by the Diocesan Trustees as custodian trustees.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

18. Total Return

	Trust for Investment £000s	Unapplied Total Return £000s	Total £000s
At 1 January 2022			
Gift component of the permanent endowment	14,984	-	14,984
Accumulated inflation since original gift	7,476	-	7,476
Accumulated net transfers brought forward	(162)	-	(162)
Unapplied total return	-	48,067	48,067
	22,298	48,067	70,365
Movements in the year			
Investment return: property income, dividends and interest	-	2,429	2,429
Investment return: realized and unrealized gains and losses	-	(3,963)	(3,963)
Indexation on base value of investment	1,573	(1,573)	-
	1,573	(3,107)	(1,534)
Unapplied total return allocated to income in the year	-	(2,429)	(2,429)
Release of historic unapplied total return	-	(2,111)	(2,111)
	-	(4,540)	(4,540)
Net movements in the year	1,573	(7,647)	(6,074)
At 31 December 2022			
Gift component of the permanent endowment	14,984	-	14,984
Accumulated inflation since original gift	9,049	-	9,049
Accumulated net transfers brought forward	(162)	-	(162)
Unapplied total return	-	40,420	40,420
	23,871	40,420	64,291

Movements in the year reflect the pastoral order made for the creation of the new benefice, The Bridge Benefice, uniting the parishes of Westwood and Canley. This led to the transfer of a parsonage, St Stephen's Vicarage, 47 Glebe Close, Canley from Parsonages to Operational Properties.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

19. Transfer between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s
Bishop's Initiatives' Fund	7	(7)	-	-	-
Church Improvement Fund	15	(15)	-	-	-
Syrian Orthodox Christian School Fund	6	-	(6)	-	-
Capacity Funding	53	-	(53)	-	-
Offa Capital Projects Fund	33	-	(33)	-	-
Mission to Lowest Income Communities Fund	300	-	(300)	-	-
Pension deficit contributions paid in year	2	-	-	(2)	-
Serving Christ project	(63)	-	63	-	-
Hardship Fund	(83)	-	83	-	-
Diocesan Mission Fund	(21)	21	-	-	-
LINC DMF Fund	(36)	-	36	-	-
LINC Growth Strategy	(300)	-	300	-	-
Cathedral "Endowment" Fund	(500)	500	-	-	-
Diocesan Stipends Fund Income Account	1,412	-	(1,412)	-	-
	825	499	(1,322)	(2)	-

20. Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2022 Total £000s
Funds at 31 December 2022 are represented by:					
Tangible fixed assets	53	12,044	-	7,147	19,244
Fixed asset investments	2,156	112	1,229	65,328	68,825
Net current assets	(549)	4,858	3,357	(1,639)	6,027
Total net assets	1,660	17,014	4,586	70,836	94,096

21. Related party transactions

The Coventry Diocesan Board of Education ("the DBE") is a related party as it is responsible to Diocesan Synod, the members of which are also the members of the DBF. The DBF provided the DBE with grants of £187,000 (2021: £159,000) in the year towards the costs of the DBE's statutory obligations and, in 2021, the costs of academisation and the costs of potential new schools development (see note 7).

The Coventry Diocesan Trustees (Registered) ("the CDT") is a related party as it is the custodian trustee of the Coventry Diocesan Endowment Fund and a residential property. Income received from the Diocesan Trustees during the year for the Diocesan Stipends Fund Income Account was:

Coventry Diocesan Endowment Fund	£16,959 (2021: £21,987)
Residential property	£2,831 (2021: £4,031)

Costs incurred by the DBF on behalf of the Diocesan Trustees were £25,350 (2021: £33,860). These costs were for secretarial support, land registrations and audit fees.

Together for Change (TFC) is a partner charity supported by the DBF and the Church Urban Fund. Costs incurred by the DBF as part of this partnership include the supply of a Chief Executive Officer, office and IT provision, and finance and HR services. A grant of £30,000 was awarded in the year (2021: £30,000).

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

22. Prior year Statement of Financial Activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s
Income and endowments from:					
Donations					
Parish Share	4,688	-	299	-	4,987
Church Commissioners	162	-	667	-	829
Other grants and donations	124	-	309	-	433
Charges for charitable activities	351	-	3	-	354
Other trading activities	574	-	-	-	574
Investments					
Investments income	67	-	44	2,136	2,247
Total return allocated to income	-	-	2,136	(2,136)	-
Release of historic return	-	-	1,511	(1,511)	-
Total	5,966	-	4,969	(1,511)	9,424
Expenditure on:					
Raising funds	234	-	-	246	480
Charitable activities					
Mission and ministry	2,347	-	3,705	-	6,052
Support for mission and ministry	2,231	26	296	-	2,553
Contributions to Archbishop's Council	467	-	-	-	467
Diocesan Board of Education	187	-	-	-	187
Other	-	-	-	1	1
Total	5,466	26	4,001	247	9,740
Net income before investment gains	500	(26)	968	(1,758)	(316)
Net gains on investments:					
Net gains/(losses) on revaluation	307	16	176	5,150	5,649
Surplus on sale of investments	-	-	-	138	138
Net income/(expenditure)	807	(10)	1,144	3,530	5,471
Transfers between funds	(408)	480	(275)	203	-
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension scheme	-	-	-	(6)	(6)
Net movement in funds	399	470	869	3,727	5,465
Reconciliation of funds					
Funds at 1 January	1,628	15,624	3,336	73,286	93,874
Net movement in funds	399	470	869	3,727	5,465
Funds at 31 December	2,027	16,094	4,205	77,013	99,339

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

23. Prior year Statement of Funds

	At 1 Jan 2021 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 December 2021 £000s
GENERAL FUND	1,628	5,966	(5,466)	(408)	307	2,027
DESIGNATED FUNDS						
Operational Properties Fund	11,143	-	-	-	-	11,143
Cathedral "Endowment" Fund	4,000	-	-	500	-	4,500
Bishop's Mission Fund	34	-	(3)	-	-	31
Extra Mission & Ministry Support Fund	106	-	-	-	-	106
Diocesan Mission Fund	53	-	-	(18)	-	35
Church Fabric Fund	71	-	(17)	-	-	54
Church Improvement Fund	77	-	(5)	(32)	-	40
Bishop of Coventry's Link Dioceses Fund	5	-	-	-	-	5
Lambeth Conference Fund	20	-	-	-	-	20
Special Projects 2020	(9)	-	-	29	-	20
Clergy Holidays Fund	125	-	-	-	16	141
Total designated funds	15,624	-	(25)	480	16	16,094
Total unrestricted funds	17,252	5,966	(5,491)	72	323	18,121
RESTRICTED FUNDS						
Pastoral Fund	3	3	(25)	19	-	-
Acceler8 Grants Fund	65	(10)	-	(55)	-	-
Serving Christ Fund	1,064	-	-	(182)	-	882
Mission to Lowest Income Communities Fund	251	398	-	(66)	-	583
Church Commissioners' Mission Fund	5	-	-	(3)	-	2
LINC DMF Fund	(8)	-	(7)	14	-	(1)
LINC NCD Fund	13	-	-	-	-	13
LINC CGDA Fund	17	-	(3)	-	-	14
LINC Stipends Fund	58	-	-	(54)	-	4
LINC Growth Strategy	-	-	-	300	-	300
Places of Peace Fund	7	-	-	-	-	7
Offa Capital Projects Fund	283	-	-	-	-	283
Offa Spiritual Renewal Fund	1,224	43	-	-	168	1,435
Syrian Orthodox Christian School Fund	11	8	(8)	-	-	11
SOCS Scholarship Fund	2	-	(1)	-	-	1
Companionship Link Funds	2	-	-	-	-	2
Retreat Grants Fund	20	-	(2)	-	-	18
The Reverend George Goode Fund	15	-	-	-	-	15
Ordination Training Grant Fund	(17)	285	(251)	-	-	17
DC Bonfield Bequest	58	-	-	-	-	58
Archdeacons' Discretionary Fund	46	1	-	-	7	53
Queen Victoria Clergy Fund	2	3	-	-	-	5
EE Bardsley Bequest	-	-	-	-	-	-
Diocesan Stipends Fund Income Account	-	-	(3,115)	3,446	-	331
Capacity Fund	215	-	-	(45)	-	170
Deanery Share Support Fund	-	299	(299)	-	-	-
Warwick Clergy Stipends & Housing Fund	-	291	(291)	-	-	-
Total restricted funds	3,336	1,322	(4,001)	3,374	175	4,205

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

23. Prior year Statement of Funds - continued

	At 1 Jan 2021 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 December 2021 £000s
ENDOWMENT FUNDS						
<i>Expendable:</i>						
Parsonage Houses Fund	6,218	-	-	-	-	6,218
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	66,654	2,136	(245)	(3,647)	5,234	70,132
Church of England Funded Pension Fund	(397)	-	1	201	(6)	(201)
Coventry Diocesan Endowment Fund	811	-	-	-	54	865
Total endowment funds	73,286	2,136	(244)	(3,446)	5,282	77,013
TOTAL FUNDS	93,873	9,422	(9,735)	-	5,780	99,339

24. Prior year Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s
Funds at 31 December 2021 are represented by:					
Tangible fixed assets	-	11,141	-	7,147	18,288
Fixed asset investments	2,441	132	1,390	72,388	76,351
Net current assets	(414)	4,824	2,869	(2,522)	4,758
Creditors falling due after more than one year	-	(3)	(55)	-	(58)
Total net assets	2,027	16,094	4,204	77,013	99,339

Accounts



**DIOCESE^{OF}
COVENTRY**

**COVENTRY DIOCESAN BOARD
OF FINANCE LIMITED**

**REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2021**

**Company Registered Number: 319482
Registered Charity Number: 247828**

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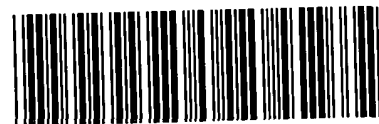


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COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2021

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COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

Message from Bishop Christopher

The Covid-19 Pandemic has continued to bring its challenges, not least as we have come out of the restrictions. The pressures of multiple other crises – climate, economic and the grave and foreboding tensions in international relationships – have all brought their additional burdens. To the people of God, though, such circumstances provide the opportunity not only to reaffirm our faith in the midst of adversity but also to speak words of hope and demonstrate actions of love in the difficult times that many people are experiencing. That is just what has been happening across the Diocese of Coventry as we have sought to fulfil the particular calling of the Church of England to be a Christian presence in every community, serving the people of all our parishes whoever they may be and whatever their circumstances in life.

At the start of 2021, I had in my mind and on my heart three words – recovery, renewal and resurrection – that I felt spoke to the place in which we found ourselves and the road we were called to follow as Christians. As the year has progressed those words have developed into a vision of *restored health, new growth and renewal of relationships*. I am immensely grateful to everyone across the Diocese of Coventry for their great commitment to the health of the Church, for their imaginative ways of reaching out to others to bring growth to the life of the Church as we serve the kingdom of God and for their readiness to renew the relationships that people have with each other, with God and with the earth of which we are part as we seek to be agents of God's life-giving purposes in the world.

It will take some time to restore the health of Church and nation, to bring the new growth that we know belongs to the dynamic of the kingdom of God and to renew relationships in all their forms so that God's reconciling purposes can be fulfilled. But as this report sets out, there are both many signs of this great work happening in all sorts of ways and also much evidence of the responsible stewarding of finances and assets that is necessary for it to be properly resourced.

As well as paying tribute to all those who care for the finances of the Diocese, I would like to thank Ruth Marlow in particular for her service to the Diocese of Coventry as Diocesan Secretary and Chief Executive to the Bishop, and for all that she contributed to our life together. We wish Ruth a happy retirement.

**The Rt Revd Dr Christopher Cocksworth,
Bishop of Coventry**



COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

Chair's Report

It gives me great pleasure to present this my second report as Chair of the Coventry Diocesan Board of Finance (DBF). Once again, it has been a year affected by on-going challenges arising from the Covid-19 pandemic. Continuing Government restrictions and concerns about new variants of the virus have, for many, resulted in a slow return to worshipping in person in our church buildings, which has dampened some of our hopes and plans for a speedy return and recovery. I know this has been disheartening for many of us, because although the creation of on-line worship has brought the Word to many for the first time, the desire to meet together in person remains a hugely important part of our tradition. I therefore want to start by expressing my sincere thanks to everyone across the diocese, all our clergy and volunteers, staff within the Diocesan Offices and members of our congregations for their hard work and faithful prayer for the restored health, new growth and renewed relationships that Bishop Christopher has expressed in his vision statement for the Diocese of Coventry over the next five years.

Without your steadfast work, commitment, and prayer it would not be possible for the Coventry DBF to do the work we are called to do in the resourcing and supporting of you in building God's Kingdom here in this place.

This endeavour has resulted in 2021 being a year in which the DBF has performed better than perhaps we might have dared to have imagined at the end 2020. Giving through Parish Share has continued thanks to the generosity of many people that support the work of the church in the diocese.

In acknowledgment, however, of the continuing financial challenges faced by many of our parishes the DBF approved £155K in Parish Share Relief Grant in 2021, and in total 63 parishes have received help and support in this way during the pandemic.

Our equity investments held by CCLA have performed well thanks to the work of the Investment Sub-Committee. Our property investments have also performed well and throughout the year the Glebe Committee has continued to work hard to identify new opportunities and continue to pursue projects that will support growth in the future.

One of the greatest pleasures, and indeed privileges, of my role as Chair of the DBF is to be able to see and share with you the great missional work that is being undertaken across the diocese. Despite the challenges we have all experienced, 2021 has proved to be yet another year in which we have been able to witness, through the grace of our Lord Jesus Christ, many inspiring and uplifting works. In the following pages of this report we talk about some of these in more detail, however I cannot conclude my report without mentioning the highly acclaimed Acceler8 project that drew to a close in the Summer, when its funding, which had been provided by the National Church's Strategic Development Fund (SDF), came to an end as planned. Our learning from this project, both in terms of the work on Healthy Churches and ministry to the 20's to 30's will, however, continue to support our strategy for growth going forward. In 2021, the DBF also supported other important missional work, notably the Serving Christ Project that focused on building confidence in our congregations through training and support of our laity, which entered its penultimate year of SDF funding, and celebrated the launch of the Equip Hub learning platform in September, and the developing Growth Strategy led by Archdeacon Barry and the DBF Mission and Discipleship Team. In June, we were delighted to receive confirmation that our Stage 2 bid to the SDF, which will provide £1.25 million to support the development of 4 Church Plants in urban areas in the Diocese over the next 5 years, had been successful. Work on the identification of 6 Mission Hub Churches also progressed in 2021.

The DBF has also continued to provide a grant to support Together for Change: Coventry and Warwickshire,

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

which has given vital support to a number of churches providing befriending services, emergency food, and support to families and young people throughout the pandemic. This DBF grant enabled the TfC staff to focus on other grant applications, which secured £363K from the National Lottery Fund for the Saints project in Nuneaton, and grants from a variety of funders for projects across the diocese.

Despite having much to be grateful for, we are not out of the woods yet. The DBF will continue to face many challenges in 2022 and beyond and recognises and understands the continuing challenges faced by our parishes, clergy, volunteers and the communities they support. In 2022 we are putting more resources aside to support churches in growing new worshipping communities as part of the Growth Strategy and Church Planting work, which will see the appointment of associate ministers to our Mission Hub Churches and an investment in clergy housing. We will also be taking further steps towards our Net Zero target with the introduction of a Sustainable Travel Policy, a review of the Diocesan Office's Environmental Policy and investing in Energy Efficiency Performance Certificates for all our housing stock. A commitment to ensure the Church is a safe place for everyone will also remain at the centre of the DBF work in 2022, especially as we respond to the national Church's Past Case Review II report, due to be published later this year. I remain confident that the DBF will rise to all these challenges and respond appropriately and once again I extend my thanks to, and appreciation of, the work of all my colleagues on the Board, the clergy, committee members, Readers, volunteers and wider members of the church community for all that you all do to serve the Church in this diocese.

Whilst this report covers 2021, I am writing this in early 2022, at a time when Ruth Marlow is about to retire from her role as Diocesan Secretary. We are grateful to Ruth for her service to the diocese and for the skills and focus that she has brought to the role. Her dedication and professionalism have been a great example to all and I wish her many years of happiness as she settles into what we know will be a very active retirement.

With my grateful thanks

Simon Danks

Chair of Coventry Diocesan Board of Finance

28 February 2022

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2021

The trustees, who are also directors for the purposes of company law, present their combined Trustees' Report and Directors' Report, together with the audited financial statements, for the year ended 31 December 2020. The Trustees' and Directors' Report is presented in sections as follows.

Section 1: Strategic Report - which includes a review of achievements and performance in the year

Section 2: Governance Report

Section 3: Trustees' and Directors' Report Approval

SECTION 1: STRATEGIC REPORT

1.1 OBJECTIVES AND ACTIVITIES

Coventry Diocesan Board of Finance Limited ("the DBF") aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Coventry and elsewhere. The mission purpose of the Diocese of Coventry is "worshipping God, making new disciples and transforming communities." With an emphasis on reconciliation, Bishop Christopher has described the working out of this statement across the Diocese as seeing:

"The reconciling love of God in Jesus Christ manifested in Christian Communities that worship God, make new disciples and transform the communities around them."

The Diocese reaches out to all the people of Warwickshire and Coventry in its Mission Purpose through a number of bodies and organisations, not just churches. Coventry Cathedral, the Diocesan Board of Education, our church schools, our chaplains, Together For Change, all play a part in delivering a Whole Diocese integrated strategy, recognising the individual distinctiveness of each member of the diocesan family, currently aligned to 6 priorities which forms the focus for the allocation of diocesan resources including, people, money and prayer.

The Bishop's Council has endorsed the six Shared Objectives which are:

- Making the gospel known throughout the Diocese so people become followers of Christ.
- Strengthening the health of churches and organisations across the Diocese in the 8 Essential Qualities identified by NCD.
- Enabling the well-being, development and flourishing of clergy and lay people across the Diocese.
- Equipping the whole Diocese for the work of reconciliation.
- Promoting the life-long Christian learning and education across the Diocese.
- Delivering positive community transformation.

In its work towards these objectives the Bishop's Council continues to endorse priority themes for particular emphasis; engaging with people of UK Minority Ethnic (UKME) or Global Majority Heritage (GMH) a focus on children's and young people's spirituality and discipleship and Carbon reduction strategies.

To fund these activities, the DBF raises most of its income by advising the "Cost of Ministry" to Deaneries ("the Deanery Share"), which Deaneries in turn allocate to parishes ("the Parish Share"). The DBF also receives investment and other income and has in addition released capital from the historic assets. The DBF seeks to maintain sound finances in order to be able to support mission and ministry in the Diocese both in the short and in the long term.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2021

Going Concern

The Covid-19 pandemic continued to have a significant impact, on the DBF's operations in 2021 with diocesan staff predominantly home working at the beginning of the year, moving to a model of home and office working as restrictions relaxed. Many activities of the SDF funded projects Acceler8 and Serving Christ have been curtailed, but great stamina and creativity has been shown by diocesan staff in seeking new ways to support clergy and laity as they further the outcomes of these projects.

Income distributions from equity investment funds have been maintained by CCLA at planned levels. During the year the investment management agreement was reviewed by the Investment Subcommittee, and the decision was taken to move fund management to CCLA. The Glebe committee worked pro-actively with our property managers to ensure, where possible, rental income from this portfolio was maintained, ensuring property was fully occupied in a difficult market. The Trustees are able to utilise historic assets releasing unapplied Total Return, if necessary, to cover any potential shortfall of investment income in order to meet clergy costs. Unlisted investments (as per note 12 can be liquidated to meet any working capital cash flow requirements).

Income from parish share has continued at a similar level to 2020, with some parishes finding their financial sustainability to be more precarious than they would like. During the year, parishes have continued to join the Parish Giving Scheme to facilitate planned regular giving, recognising the stable financial foundation this provides. As restrictions have eased there have been more opportunities to open church buildings and halls, which, after planned giving, has had the biggest financial benefit for parishes. Providing support to parishes who are concerned about their financial health is ongoing, with this being provided by the Archdeacons and the finance team.

Having regard to the above, the Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Public benefit

The trustees are confident that by promoting the work of the Church of England in the Diocese of Coventry the DBF helps to promote the whole mission of the Church of England - pastoral, evangelistic, social and ecumenical - both in the Diocese as a whole and in its individual parishes, and that in doing so 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, to the benefit of individuals and society as a whole.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the DBF's aims and objectives and in planning future activities.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2021

1.2 PRINCIPAL RISKS

The DBF operates a comprehensive system of risk management, with a strategic risk register being reviewed three times a year by the leadership team and the Audit and Risk Committee. The trustees go through an annual process of horizon scanning to consider the strategic risks to the organisation, following which the register is reviewed and updated to take account of new and emerging risks.

During the year, the Audit and Risk Committee continued to look at the domino effect of risks and the potential impact on the organisation. They have also looked at how risk velocity might be brought into the consideration of risk by the leadership team. At all times they have reflected on whether the risk approach is proportionate and whether the risk register is closely linked to the strategic objectives of the Diocese. The major risks identified by the DBF's trustees and the measures in place to mitigate and manage them are described below.

The long-term sustainability of the organisation.

This risk reflects the potential impacts of parishes failing to pay their parish share, of investment returns not being in line with the objectives of the Investment Policy and of failing to have an effective clergy deployment strategy, leading to the risk of not having the right ministers in the right places at the right times.

The DBF seeks to mitigate this risk by working with deaneries which allocate Parish Shares to individual parishes so that local contexts and affordability can be taken into consideration. However, during the pandemic parish income has come under increasing pressure and the Bishops Council approved the release of a small proportion of historic funds to finance Parish Share Relief. It has been recognised by Diocesan Synod that the Parish Share system requires review and a working group, including clergy and laity from across the diocese, will bring the outcome of that review to Bishops Council and then Synod in 2022. As regards investment returns, the Investment Sub Committee (ISC) and the Glebe Committee meet regularly to review the performance of investment assets and ISC has put in place a new investment management agreement with CCLA to ensure that organisational objectives that rely on investment funding can be achieved. To help ensure that clergy deployment meets the missional needs of the Diocese, the Archdeacons are working closely with Area Deans and deanery mission and pastoral committees to put deanery plans in place. Bishops Council, in its role as the Diocesan Mission and Pastoral Committee, will see these plans in May 2022.

Political uncertainty and associated economic impacts

This risk reflects the effects of political decisions, notably those being driven by the pandemic the continuing impact of Brexit, and now the risks around inflation. Their impacts may lead to increasing levels of concern among parishes and DBF staff with consequential effects on morale and effectiveness.

To mitigate and monitor this risk, the Diocese has maintained higher than normal levels of communication with parishes and diocesan staff. During 2021, The Bishop of Coventry led a planning group to focus on the special needs arising from the pandemic, supported by working groups that focus on key areas of church life. Bishop Christopher also sent video messages of encouragement to clergy and churchwardens throughout the pandemic to keep them updated on sources of financial help and support. Bishop Christopher continues to communicate by video message to the Diocese as clergy and parishes have looked to him for guidance as world events have unfolded. In addition, the Bishop of Warwick and the Archdeacon Pastor have maintained regular contact with clergy to respond to pastoral needs. As regards DBF staff, the Diocesan Secretary has led regular communication with and by the leadership team to reassure and inform staff through a weekly staff bulletin.

Failing to deliver strategic objectives

Failing to deliver strategic objectives and outcomes could significantly impact mission across the diocese, particularly church health and growth. A lengthy clergy appointments process could lead to a higher number of clergy vacancies leading to unnecessary pressure and challenges for office holders in parishes.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2021

To mitigate this risk there is a structure of governance for the management of strategic objectives and the projects that support them, with personal objectives set and reviewed twice yearly for individual members of staff delivering them. During interregnums, support is provided to churchwardens and parishes to guide them through the appointments process.

Contravening the Data Protection Act

Failing to comply with The Data Protection Act could potentially lead to the loss of confidential information and, or, the accidental sharing of personal data, with potentially serious impacts on those to whom the data belongs, as well as legal, reputational and financial consequences for the Church.

Since this Act came into force in 2018, the DBF has put measures in place to minimise and manage this risk through ensuring that it has strong data management processes in place, backed by ensuring that staff are trained and understand and comply with its requirements.

Absence of Trustees, key staff and advisers

Failing to recruit and retain high quality Trustees, key staff and specialist advisers has the potential to cause significant disruption to governance and service delivery and also result in the loss of valuable organisational knowledge.

To mitigate this risk the DBF has processes in place to review committee membership and terms of reference regularly, to maintain up-to-date job descriptions, to anticipate retirements and, where possible, departures and to undertake recruitment campaigns and the appointment of professional external advisers.

Safeguarding

The Diocese regards protecting the health, well-being and human rights of individuals, especially, children, young people and vulnerable adults, as an absolute priority, given the potentially serious impacts that failing to do so can have on individuals.

To minimise and manage this risk, the Diocese has a rigorous and widely disseminated safeguarding policy and management process, backed by a safeguarding training strategy. The safeguarding dashboard has been provided free of charge to all parishes to aid them in the management of their own safeguarding requirements. Additional support has been provided to Parish Safeguarding Officers during the pandemic to support them with risk management for new missional and other activities arising as a result of changes to the way in which parishes have had to adapt to new ways of worshiping and operating.

Achieving Net Zero Emissions target by 2030

The risk that the DBF does not meet the net zero emissions target set by General Synod would lead to financial and reputational consequences.

To minimise and manage this risk the Diocesan Environment Group and Net Zero Group are working with the diocesan office and parishes to put action plans in place to reduce emissions to net zero. Communication and education training is being provided on environmental issues e.g. Creation Care, the Bishop's Certificate in Discipleship and Lent courses, alongside the promotion of the Eco Church Scheme.

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1.3 ACHIEVEMENTS AND PERFORMANCE

Making the Gospel known so that people become followers of Christ

The Growth Strategy

During 2020, following consultation with parishes across the Diocese via online roadshow sessions, the Bishop's Core Staff presented to Bishop's Council and Diocesan Synod plans that will form part of the reimagining of ministry renewal and resurrection, which is key to the Growth Strategy. These were approved and work commenced in 2021 to set up Resourcing Mission Hubs, City Church Plants and the recruitment of clergy to fill vacancies in inner city parishes and laity to support the delivery of this strategy. Outcomes from this work are expected over the next five years, with the aspiration to grow 150 new worshipping communities. Existing parishes continued to play their part in delivering this objective.

Over the last year, churches in Fosse Deanery have been taking their services outside in response to Covid restrictions. Churches blessed with technology have streamed services online, while others have not been able to do this. But in sharing experiences of how some Fosse Deanery parishes have continued worship, share fellowship and reach out to their communities, a common theme emerged, which demonstrated the benefits of taking the message of the Good News beyond the walls of church buildings.

The rural nature of much of Fosse Deanery lent itself to this approach. St Peter's in Wellesbourne held their 'Paddock Praise' in Summer and in December they created walk-through scenes that depicted the barely-sheltered first Nativity. At Holy Trinity in Stratford-upon-Avon, another walk-through idea enabled parishioners to experience Christmas at church by 'walking through it'. Displays, lighting, floral decoration and carol-singing by the choir conveyed the spiritual atmosphere and significance of the Christmas story and celebration. Visitors could pre-book and queueing was carefully planned and managed so that the church and its grounds could be used safely.

In Shotton, parishioners marked Pentecost by making a bright bunting of 'flames', strung across St Andrew's hedged frontage on a popular route for daily exercise. Information about Pentecost and the significance of the 'flames' was posted on the noticeboard for passers-by to read.

Children have often been the ones to miss out since many services went online. But in February 2021, Shotton's young 'Illumin8' group set a 'Heart Trail' that involved hanging or hiding home-made hearts (drawn, sewn, knitted) around the church rounds, together with a QR code quiz. Such ideas make the Gospel message more accessible to those who do not usually attend church and bear witness to a living faith and continuing worship.



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Increasing disciples in the 20s – 30s age range within the churches of the Diocese

Acceler8 was an early strategically funded initiative by the Church of England that began in 2016. It was a bold initiative to speed up growth by improving church health and specifically focused on the 20s to 30s age demographic that came to an end during 2021. By the end of 2019, well over 900 people became new disciples, of which over 400 in their 20s or 30s and two 20/30s focused worshipping communities had also started.



Over 40 people in their 20s/30s have also explored [Christian] vocations and there is good evidence that those churches who actively embraced NCD have grown both in rural and urban settings.

This is a very pleasing result and had the pandemic not significantly disrupted progress there was every expectation that Acceler8 would have exceeded its initial aspirations, which were to see 1000 new disciples added to the worshipping community in the diocese, including 400 in the 20s to 30s age range, 20 people in the 20s/30s age range entering [Christian] vocations, 4 Pioneer Plants established and a general strengthening of the health and growth of churches, both numerically and spiritually.

This project clearly demonstrated that a focus on church health using the NCD provides a robust approach to achieving growth and that it can be used by a wide range of church traditions, if introduced sensitively. The use of the 20-30s Development Leaders can also make a positive impact on church engagement with this age range.

Strengthening the health of churches and organisations across the Diocese in the 8 Essential Qualities identified by Natural Church Development

The aim of this shared objective is to support church growth, both spiritual and numerical, across the Diocese. NCD statistics continue to demonstrate that when churches focus on the 8 Essential Qualities this leads to numerical and spiritual growth, making them more effective in our mission of worshipping God, making new disciples and transforming communities.

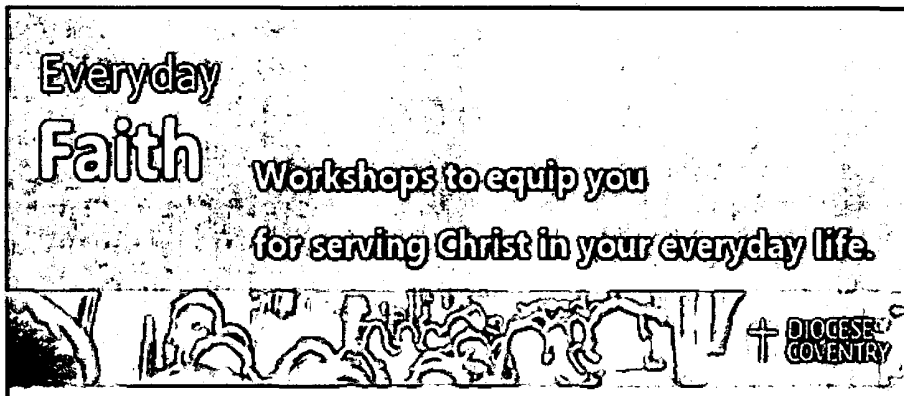
During 2021, a number of Ebbsfleet Churches across the country engaged with NCD and begun work on their 8 EQ's. Father Gary however, caught Covid and has been making a steady but slow recovery meaning progress on delivering this objective has been delayed.

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Enabling the wellbeing and flourishing of clergy and lay people across the Diocese



The Serving Christ Team were active during 2021, running many courses online to support and enable the wellbeing of lay people across the diocese. In 2020, the Church of England launched its Everyday Faith campaign. Everyday Faith is about where and how we encounter God as we go about our daily lives, from loading the washing machine to entering data and answering emails. It highlights the value of everyday work, helps us to live out our Christian faith wherever we may be and emphasises how even the smallest, routine activities matter to God and can make a difference to others. In Coventry Diocese 6 Everyday faith sessions were run in 2021 to support lay people in their Everyday Faith

During 2021, the Clergy Wellbeing Group continued to meet and to 'take the temperature' of clergy wellbeing as the pandemic unfolded. The Archdeacons worked with Area Deans to ensure that clergy concerns were heard and responded to. Support through phone calls from the Bishop of Warwick and the two Archdeacons, alongside video messages from the Bishop of Coventry has been ongoing throughout 2021 and provided a source of encouragement and support to clergy. The Clergy Wellbeing survey that was planned during 2021 has been deferred to 2022 to ensure it captures feedback from clergy managing the challenges caused by the pandemic.

Equipping the whole Diocese for the work of reconciliation



in-person groups.

Working closely with the Archbishop of Canterbury's reconciliation team in both London and Coventry, Emma Crick de Boom, was appointed as Reconciliation Enabler in January 2021. Her role is to mobilise, envision and empower churches and individuals in the Diocese of Coventry and across the West Midlands to engage with 'Difference'. Difference is a course that explores what it means to follow Jesus in a divided and conflicted world, equipping people with three formational habits of reconciliation to enable transformation through everyday encounters. The course is designed for both online and

Drawing on the experience of the Cathedral, Emma has built upon the experience gained from the 'Difference' course to embed and re-energise the Diocese's commitment to the gospel of reconciliation. She will play a key part in enabling the Diocese to engage with the Living in Love and Faith Resources. She

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will also be equipping and empowering churches, schools, chaplaincies, and individuals to be 'Partners together in the Message and Ministry of Reconciliation' throughout the Diocese.

Bishop Christopher says:

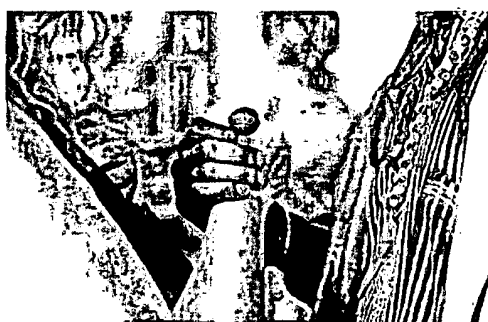
"I am delighted that Coventry Diocese has the chance to collaborate with the Archbishop of Canterbury's Reconciliation Ministry through the creation of this exciting post. Emma's appointment will enable the Difference Course to become embedded in the Diocese and for Christian people in the region to live out the gospel in their discipleship as they follow Christ and serve God's kingdom. I very much look forward to working with Emma and to seeing her gifts bear fruit among us."

Promoting lifelong Christian learning and education across the Diocese

The Diocesan Board of Education fulfils much of this shared objective, however we should not forget the part our clergy and parishes play in the spiritual development of both young and old. Below are just two examples of how this shared objective has been delivered in 2020.

Racial Justice Sunday

A new page has been created on the diocesan website with links to resources for Racial Justice Sunday, collated by the Revd Dr Rosalyn Murphy. The Covid-19 crisis has highlighted the existing inequalities in our society as the poorer, more marginalised communities are being disproportionately impacted by the pandemic, which serves to demonstrate the need for greater racial justice on our society.



Rosalyn says:

"Celebrating Racial Justice Sunday in our churches reminds us that Christ calls his followers to lead the world in extending equality to all human beings, because we are all made in His image. Excluding even one, somehow says that God has made a mistake. Paul writes in Romans 8 that, 'not only creation (groans in labour pains), but we ourselves...groan inwardly while we wait for our adoption...'

The suffering that inequality and injustice cause the global majority actually opposes the redemptive work of Christ. Our redemption comes not simply by accepting Christ as our saviour, but also by allowing his Holy Spirit to complete the 'heart' work needed in us. Of course, the outcome of Spirit working in us is that our hearts are opened to love each other, even as we love ourselves."

Delivering positive community transformation

The Diocese, working in partnership with Together for Change, strives to transform the lives of the most disadvantaged throughout Coventry and Warwickshire. The following story is one example of what Together For Change has delivered during 2021.

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'Message Buses', like the one shown below, are used by The Message [Trust], which is a UK christian charity that creates christian resources for working with young people, including working with schools and to support local churches with mission and evangelism training. Message Buses are state of the art mobile youth centres that operate across the UK. This new bus will be the first Message Bus in the Midlands. Together for Change obtained funding through the Warwick Churches Team and the King Henry 8th Trust in order to give the Message Trust a grant that enabled it to commission this new Message Bus. The bus will be based in Warwick and used to support young people in that area, but it will also be available for hire across the diocese when it is free, with the objectives of



launching new Christian youth groups and of support existing youth groups and schools. The bus can accommodate up to 30 young people and provides ample space for learning. A full time Youth Evangelist/Bus Manager has also been funded, who will oversee the use of bus in reaching out to young people as well as the recruitment of volunteers and additional drivers in order to make the vision of the bus youth ministry a reality.

CEO of Together for Change, Jet Jones says;

"The Message Trust have a long history of working with the most disadvantaged young people and engaging them with exciting presentations on the gospel of Jesus and we are looking forward to partnering with them."

During 2021, the DBF continued to fund the Further Education (FE) Chaplaincy Ambassador project, which aims to build relationships across the diocese in FE. In addition, the DBF funded the Workcare programme, which seeks to grow the number of chaplains in workplaces. The Archdeacon Pastor, who is a Workcare Trustee, has been providing support to all our Chaplains in prisons, hospitals, school and workplaces, bringing them together to network as a group.

1.4 SUMMARY OF FINANCIAL PERFORMANCE

Following a year of uncertainty, the underlying result in 2021 was a deficit of £311,000 (2020: £978,000), which was offset by the release of £1,511,000 (2020: £1,909,000) of historic funds. This release was approved by Diocesan Synod in November 2021 to cover a reduction in income from Parish Share, due to a combination of lower offers from parishes followed by a lower than expected collection rate during the year.

The cost of mission and ministry increased by 13% to £6,052,000 (2020: £5,355,000) (Note 5b to the Financial Statements), with expenditure on interregnum works on parsonages doubling. As Covid restrictions lifted, work which could not be completed in 2020 was carried out in 2021. Associated with clergy moves are the appointment and retirement costs for clergy, which increased by 82% to £175,000 (2020: £96,000). The average number of clergy in post during 2021 fell to 105 (2020:109) Costs in support of mission and ministry (Note 5c), fell by 5% to £2,549,000 (2020: £2,683,000), due to staff vacancies and a reduction in grants awarded to parishes, as planned missional activity was impacted by the uncertainty caused by the pandemic.

The value of Designated Funds increased to £16,097,000 (2020: £15,624,000), primarily due to the transfer of a further £500,000 to the Cathedral "Endowment" Fund (Note 16 to the Financial Statements). Restricted Funds at the end of the year amounted to £4,205,000 (2020: £3,336,000). Notable items within Restricted Funds included the continuation of grant funding for the Serving Christ project and the receipt of Capacity funding from the Church Commissioners to help with initial set up costs of the SDF City Church Plant project and provide funding for a Programme Manager and the Director of New Worshipping communities. LINC funding increased during the year and the Acceler8 project came to an end as planned, with the final claim on grant funding made before the end of the year.

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The Endowment Funds (Note 16 to the Financial Statements) were valued at £77,013,000 at the end of the year, (2020:£73,286,000). Within this total there were a number of notable movements. These included gains on revaluation of investment assets of £5,096,000 (2020: £2,339,000), a £138,000 surplus on the sale of investments, actuarial movements on the Church of England Clergy Pension scheme of £6,000 (2020:£5,000) and the release of £3,647,000 of Endowment Funds of which £2,136,000 (2020:£2,213,000) is investment income, which forms part of the total return on the Diocesan Stipends Fund. Note 18 explains the full impact of total return on these accounts.

Principal funding sources

The principal sources of funding in 2021 came from Parish Share £4.9m, 53% (2020: £4,988, 49%), investment income of £2.247m, 24% (2020: £2.336m, 23%), £0.8m, 9%, from Church Commissioners (2020: £0.9m, 9%), and £1.361m, 14%, from other sources (2020: £1.964m 19%). Other sources of income include parochial fees from weddings and funerals, which have recovered to pre-pandemic levels, rental income from the letting of houses whilst not occupied by clergy, restricted income from The King Henry VIII Endowed Trust, used to meet costs in the Warwick area and various other grants and donations.

Parish Share

Total parish share income received was £4.987m, which is similar to that received in 2020 (2020: £4.988m which was a £341,000 reduction on 2019). This includes amounts received that related to parish share allocated for previous years, but excluded amounts received after the 31 December 2021 cut-off date. Total parish share receipts amounted to 93% of the allocation (2020: 91%). Deaneries continue to indicate that they are struggling to meet Parish Share allocations. During the year, support was provided to Parishes by the Diocesan Finance team, particularly when applying for relief through the Parish Share relief scheme that was created by Bishops Council in 2020 at the start of the pandemic. Parish Share relief of £154,587 was given in 2021, making the total relief offered to struggling parishes over past two years of £431,587. The scheme has now been closed for further applications.

The Diocese has continued to promote the Parish Giving Scheme, a direct debit scheme that encourages individual church members to review their giving regularly and also provides an efficient way for parishes to receive Gift Aid on gifts received. During the pandemic, parishes that switched to using this method of giving have seen an increase in planned giving. This was reflected in the Statistics for Mission collected in 2020, which showed that the average donation made under planned giving in Coventry Diocese increased from £13 to £14.02 per week.

Investment Income

Investment income was £2,247,000 (2020: £2,336,000) and derived from both equities and Glebe assets.

After allowing for Glebe management fees and other Glebe operating costs, net investment income was £1,958,000 (2020: £2,103,000). Net investment income from Glebe investment decreased to £914,000 during the year as a result of increased costs of maintaining farm dwellings and repairs to farm buildings. (2020: £1,096,000). Other investment income, which includes interest and dividends, increased to £1,089,000 (2020: £1,054,000), as a result of increased interest from holdings in the CCLA deposit account.

Discrete-year total return performance (gross) for investment funds in which the DBF is invested were as follows.

- CCLA's CBF Church of England Investment Fund: 17.46% (2020: 10.2%)
- CCLA's CBF Church of England Global Equity Income Fund: 19.20% (2020: 22.69%)
- CCLA's CBF Church of England UK Equity Fund: 21.25% (2020: 0.81%)

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Investment objectives and investments held

The DBF's investment objective, with respect to amounts available for investment, is to safeguard capital values in real terms over the long term and to provide real growth in net income, whilst complying with the Church of England Ethical Investment Policy.

Investments are principally held in Glebe properties and in investment funds. The investment funds are managed by CCLA Investment Management Limited and are diversified funds for charities, invested mainly in equities, but also in fixed interest securities, property and other assets. There are no holdings in Fossil Fuels. Glebe investment properties comprise agricultural, commercial and residential land and buildings.

The total value of investments shown on the Balance Sheet at 31 December 2021 was £76.4 million (2020: £71.5 million,) of which £70 million was permanent endowment (Note 12 and Note 16).

Following the approval of a Total Return approach to investments in the Diocesan Stipends Fund, and a further subsequent discussion at Bishop's Council, the trustees agreed that historic unapplied return of £1.5m (2020:£1.9m), plus the income investment returns that would ordinarily be recognised in the 2021 accounts if total return had not been adopted, would be recognised as income in the 2021 accounts.

Clergy and lay ministers

We are blessed with a great diversity of clergy in our Diocese, who exercise their valued ministry in a number of ways: full-time, part-time, incumbents, associate ministers, and chaplains, ministers in secular employment, stipendiary and self-supporting, Readers and lay-ministers. For the purposes of this report, it is helpful to refer separately to those who are stipendiary.

Stipendiary clergy headcount

The full time equivalent ("FTE") number of office holders in the Diocese who were stipendiary clergy or licensed lay workers in 2021 was 105 (2020: 111), which includes two Archdeacons. The decrease does not reflect the increased level of activity by the Archdeacons office to fill vacancies, rather vacancies have increased quicker than the capacity for recruitment to happen. The average number of curates was 21 (2020:17) reflecting the diocese's commitment to increase the intake of clergy over the coming years.

House for Duty Clergy, Self-Supporting Ministry and volunteers

Whilst acknowledging that many of our self-supporting ministers are office holders and living in their own houses, there are office holders that the DBF provide with houses. In 2021 there were 9 (2020:9).

It cannot be underestimated that the activities of the Church of England across the Diocese of Coventry depend hugely on the generosity of our retired clergy, self-supporting ministers, Readers and lay ministers. The value of this time, to the Diocese as a whole and in particular to the DBF, cannot be quantified and recognised in the financial statements. The DBF is grateful to all those whose contribution is essential to the mission of the whole Diocese.

Pension schemes

All stipendiary clergy in the Diocese, some clergy employed in central diocesan posts and some licensed lay workers are members of the defined benefit Church of England clergy pension scheme. The contribution to this scheme in 2021 was £10,031 (2020: £9,843) per full time stipendiary clergy member. If they are not members of the clergy pension scheme, the DBF's permanent staff are members of the Church Workers Pension Fund. Further details of both Schemes are in note 2 to the Financial Statements. DBF staff employed on temporary or short-term contracts, who have qualifying earnings or the right to opt in, are enrolled in the National Employment Savings Trust ("NEST" - the workplace pension scheme set up by government).

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Reserves policy and the General Fund position at the year end

The funds held by the DBF at 31 December 2021 comprise the following.

Endowment funds totalling £77,013,000. This amount includes expendable endowment of £6,217,582 relating to the Parsonages Housing Fund and permanent endowments of £70,796,000. The permanent endowment includes £70,132,000 relating to the Diocesan Stipends Fund of which £48,067,000 is unapplied total return. The Trustees can apply the unapplied total return to the Diocesan Stipends Fund Income Account, to use for the restricted purpose of payment of clergy stipends, houses and the management and maintenance of Glebe property.

Restricted Funds totalling £4,205,000, to be spent in accordance with the donor's wishes.

Unrestricted funds of £18,120,000, which includes £16,097,000 of designated funds that relate substantially to operational properties and are therefore illiquid.

The objective of the DBF's reserves policy is to ensure adequate working capital resources. During 2021, the policy was to ensure the General Fund remained within a range equivalent to two and a half to three and a half months' worth of operating costs, as approved by Diocesan Synod for the ensuing year. This policy has been reviewed and has been left unchanged.

Diocesan Synod approved a maximum sum to be spent from operating funds in 2022 of £10,224,835. The balance in the General Fund at 31 December 2021 was £2,023,000, which represents 2.4 months' of planned spending and is therefore below the bottom of the policy target range.

1.5 PLANS FOR THE FUTURE and FUTURE COMMITMENTS

The Coventry Diocesan mission strategy has been shaped by long-term investment in the development of healthy churches using the Natural Church Development programme (NCD) and there is now a recognition that church health brings growth. However, in order to see a step change in numerical growth, missional focus must widen to develop an Integrated Growth Strategy for urban and rural church planting, which includes new church communities (church plants) in areas of new housing, urban estates, and in other developed communities where mission potential exists, was approved by Bishop's Council.

In 2021, six key churches serving as 'Resourcing Hub' churches were commissioned and their development, together with the on-going development of St Marks Resource Church launched in 2016, will support the delivery of this strategy.

This strategy will also seek to encompass the full breadth of church traditions, with fresh expressions of church, missional communities and worship styles. In 2022, we expect to see this activity begin to deliver new growth, renewed relationships and restored health across the Diocese.

The Diocesan Synod approved the budget for this five-year programme in November 2021 that included the release of £4.2m of historic funding, together with the award of £1.25m of Strategic Development Funding in February 2022. The DBF will fund the stipends and housing for 6 new associate ministers who have been recruited to build capacity in each of the resourcing hubs.

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SECTION 2: GOVERNANCE REPORT

2.1 COMPANY LEGAL STATUS

The DBF was incorporated on 12 October 1936 as a charitable company (No. 319482) limited by membership guarantees and its governing documents are the Memorandum and Articles of Association. The DBF is registered with the Charity Commission (No. 247828). The DBF has also been designated as the Parsonages Board for the Diocese of Coventry under the Repair of Benefice Buildings Measure 1972.

2.2 DIOCESAN SYNOD AND DBF MEMBERSHIP

The Diocese is governed in accordance with the Synodical Government Measure 1969, under which its governing body is the Diocesan Synod. Every Diocesan Synod member is a member of the DBF for company law purposes and has a personal liability limited to £1 under their guarantee as company members in the event of it being wound up.

The Diocesan Synod is made up of three Houses:-

House of Bishops: the Bishop of Coventry (President of the Diocesan Synod) and the Bishop of Warwick.

House of Clergy: 58 members, including the Chair of the House and seven ex-officio members (the Dean of the Cathedral, two Archdeacons, the Chair of the Diocesan Advisory Committee and the three diocesan clergy General Synod members). The remainder were elected by the houses of clergy of Deanery Synods.

House of Laity: 50 members, of whom six were ex officio (the Chancellor of the Diocese, the Chair of the Board of Finance, the Chair of Board of Education, the three diocesan lay General Synod members) and one was nominated by the Bishop of Coventry. The remainder were elected by the houses of laity of Deanery Synods. Elected and nominated members of the Diocesan Synod hold office for a term of three years. Elections for a new triennium happened during the year, with the new Diocesan Synod in place from 1st August. The Diocesan Synod normally meets three times a year and its functions are to:

- consider matters affecting the Church of England in the Diocese;
- act as a forum for debate of Christian opinion on matters of religious or public interest;
- advise the Bishop where requested;
- deal with matters referred by General Synod;
- consider the annual accounts of the DBF;
- consider and approve the DBF's annual budget

Diocesan Synod governs itself through Standing Orders, which were approved by Diocesan Synod on 19 July 2000, and amended on 14 March 2009. Through the Standing Orders, many of Diocesan Synod's responsibilities have been delegated to its Standing Committee, the Bishop's Council.

2.1 BISHOP'S COUNCIL AND THE TRUSTEES AND DIRECTORS OF THE DBF

The Bishop's Council is the senior committee of the Diocese. Under the Standing Orders of the Diocesan Synod its members have a number of concurrent roles. They are the members of the Standing Committee of Diocesan Synod, the trustees of the Charity for the purposes of charity law, the directors of the DBF for the purposes of company law, and the members of the Diocesan Mission and Pastoral Committee.

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As the Standing Committee of the Diocesan Synod, the Bishop's Council:

- plans the business of the Synod and circulates the agenda and supporting papers for its sessions;
- initiates proposals for action by the Synod and advises it on matters of policy;
- advises the President (the Diocesan Bishop) on any matter;
- transacts the business of the Synod when not in session;
- appoints members of committees and nominates individuals for election to committees;
- carries out such functions as the Synod may delegate to it.

As the Diocesan Mission and Pastoral Committee and in consultation with the eleven Deanery Mission and Pastoral Committees, the Bishop's Council:

- advises the Bishop of Coventry on the deployment of clergy within the Diocese;
- considers and authorises pastoral schemes.

As the trustees and directors of the DBF, the Bishop's Council:

- takes responsibility for the activities of the DBF, including financial accountability as set out below;
- manages funds and property held centrally in the Diocese;
- prepares an annual budget for consideration and approval by Diocesan Synod, with estimates of expenditure and the income needed to finance that expenditure;
- monitors income and expenditure against estimates in the budget approved by Diocesan Synod;
- advises the Diocesan Synod on financial aspects of its policies and on any other matters referred to it.

Financial accountability responsibilities of Bishop's Council members as trustees and directors

The trustees of the DBF, who are also the directors of the DBF for the purposes of company law, are responsible for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

Membership of the Bishop's Council

The membership of the Bishop's Council is comprised of a maximum of 32 members as follows:

- 8 ex officio members;
- 15 members elected by the Diocesan Synod (seven clergy and eight lay, in both cases with a minimum of two from each archdeaconry);

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- up to 6 nominated members (three may be nominated by the Bishop of Coventry and one may be nominated by each of the Diocesan Advisory Committee, the Parsonages Committee and the Diocesan Board of Education);
- up to 3 members co-opted by the Bishop's Council.

The Chair of the DBF, one of the ex officio members of Bishop's Council, is nominated by the Bishop of Coventry and appointed by Diocesan Synod. During 2021, the Bishop's Council met five times as Bishop's Council and board of trustees and directors. The term of office of the members of Bishop's Council (excluding ex officio members) lasts for three years. Their term will end in 2024, upon the election of the new Diocesan Synod. During the year and as at the date of this report the members of Bishop's Council were as follows:

EX-OFFICIO

President	The Rt Revd Dr Christopher Cocksworth
Bishop of Warwick	The Rt Revd John Stroyan
Archdeacon Pastor	The Ven Sue Field
Archdeacon Missioner	The Ven Barry Dugmore
Dean of Coventry	The Very Revd John Witcombe
Chair of the House of Clergy	The Revd Claire McArthur
Chair of the House of Laity	Mrs Helen Simmonds – to August 2021 Mr Phil Swards – from October 2021
Chair of the DBF	Mr Simon Danks

NOMINATED MEMBERS

Chair of DAC	The Revd Canon Richard Williams – to August 2021
DAC Nomination	The Revd Peter Walker – from September 2021
Chair of DBE	Mr Chris Edwards

BISHOP'S NOMINEE

The Revd Kate Massey

ELECTED CLERGY

The Revd Canon Dr Jill Tucker – to August 2021
The Revd Graeme Anderson – to August 2021
The Revd Canon Dr David Stone – to August 2021
The Revd Dwayne Engh – to August 2021
The Revd Alison Evans – to August 2021
The Revd Kay Dyer – from September 2021
The Revd Claire McArthur
The Revd Stella Bailey
The Revd Barry Jackson – from September 2021
The Revd Jo Parker – from September 2021
The Revd Stephen Parker – from September 2021
The Revd Jonathan Jee – from September 2021
The Revd Alison Evans – from September 2021

ELECTED LAITY

Mrs Karen Armbrister – to August 2021 Mr Chris Baker
Mr John Franks – to August 2021 Mrs Jo King
Mr Peter Rogers – to August 2021 Mr Tim Pollard
Mr David Spiers – to August 2021
Dr Yvonne Warren – to August 2021
Ms Ogechi Ngemegwai – from September 2021
Ms Alex Suffell – from September 2021
Ms Marion Maclellan – from September 2021
Dr Sarah Mount – from September 2021
Mrs Sue Williams – from September 2021

CO-OPTED MEMBERS

Mrs Joyce Amos – to August 2021 Mr James Styan Kendall – to August 2021

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2021

2.4 COMMITTEE STRUCTURE

There are a number of Diocesan committees which advise the DBF. They are:

- the Audit and Risk Committee, which considers the appointment of the auditor, the audit fee, the nature and scope of the audit, reviews the annual financial statements prior to submission to Bishop's Council and keeps under review the systems of internal control and risk management;
- the Business Committee, which considers the content of the agendas for Bishop's Council and the Diocesan Synod;
- the Conditions of Employment Group, which deals with the terms and conditions of employment, including remuneration, of staff employed by the DBF and annual increases to clergy stipends in line with increases in the cost of living, except the Diocesan Secretary (whose terms and conditions of employment, including remuneration, are reviewed by the Chair of the DBF and the Diocesan Bishop);
- the Diocesan Advisory Committee for the Care of Churches ("the DAC"), which advises on the repair and improvement of places of worship, their contents and churchyards, with a view to the furtherance of the Church's mission and the protection of the nation's heritage;
- the Diocesan Environment Group, which encourages the Diocese in its vocation to care for the earth;
- the Diocesan Finance Group, which monitors the finances of the DBF and advises Bishop's Council on financial matters, in particular the application of the Deanery Share system and matters relating to the Church Fabric Fund;
- the Diocesan Mission Fund Committee, which considers matters relating to the Diocesan Mission Fund and Church Improvement Grants, makes recommendations to Bishop's Council and makes decisions on grants of less than £10,000;
- the Glebe Committee, which oversees the management of Diocesan Glebe investments, under the powers laid down in a scheme under the Endowments and Glebe Measure 1976;
- the Investment Sub-Committee, which oversees investment strategy and policy;
- the Parsonages Committee, which considers policy, repairs and improvements in relation to parsonage houses, under powers laid down in a scheme under the Repair of Benefice Buildings Measure 1972.

2.5 DIOCESAN SECRETARY AND STAFF

The Diocesan Secretary during 2021 was Ruth Marlow. She served as the Secretary to Diocesan Synod and Bishop's Council and as Chief Executive Officer and Company Secretary of the DBF. The Diocesan Secretary and her staff carry out the day-to-day work of the DBF. They consult regularly with the Chair of the DBF and the various diocesan committees. Ruth Marlow retired from the DBF on 28 February 2022 and recruitment for a replacement is ongoing.

Whilst senior staff have job titles incorporating the word 'Director' they are not directors of the company for the purposes of company law or trustees of the charity for the purposes of charity law. For information relating to staff headcount and costs, see note 10 to the financial statements.

In 2021 there was one staff member working in the area of IT systems that is employed under joint working arrangements with the Leicester Diocesan Board of Finance (company registered number 227087; registered charity number 249100). These arrangements are regularly reviewed and continue to be an effective method generating economies of scale without detriment to the service provided.

2.6 RELATED PARTIES

Coventry Diocesan Trustees (Registered)

The Coventry Diocesan Trustees (Registered), registered charity number 249165, is the Diocesan Authority under the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964. The Trust is the custodian trustee holding property and funds on behalf of PCCs and the DBF.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2021

Coventry Diocesan Board of Education

Coventry Diocesan Board of Education ("the DBE" – a company registered in England and Wales no. 3663851 and a registered charity no. 1091145) is a statutory body established under the Diocesan Boards of Education Measure 1991, responsible to Diocesan Synod. Its functions under this measure principally relate to the promotion or assistance in the promotion of education in the Diocese, which is consistent with the faith and practice of the Church of England and therefore consistent with the objectives of the DBE.

2.7 OTHER GOVERNANCE MATTERS

Risk management

The trustees confirm that the risks to which the DBE is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures to manage those and other identified risks have been established. The trustees review the risk register at least annually and delegate to the DBE leadership team day to day management of the risks the DBE is exposed to. In addition, the Audit & Risk Committee reviews the risk management processes and the risk register at least annually, and reports to the trustees on whether it is satisfied with its findings. This year the register has been reviewed at each Audit & Risk Committee meeting. Recommendations are made as a result of those findings.

The principal risks identified are shown in Section 1.2 of this report.

Valuation of properties in the financial statements

Investment properties are stated in the balance sheet at fair value. All non-investment properties - parsonage houses, operational properties, houses for clergy held in Glebe and the diocesan offices – are freehold properties and are stated in the balance sheet at cost. In the opinion of the trustees the fair value of these non-investment properties is substantially in excess of cost, but the amount of this excess is not economically quantifiable.

Auditor

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees and directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

A resolution to reappoint Crowe LLP as auditor to the company and to authorise the Board of Directors to fix the auditor's remuneration will be proposed at the Annual General Meeting.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2021

2.8 REFERENCE AND ADMINISTRATIVE DETAILS

<i>Registered & Principal Office</i>	Diocesan Offices, 1 Hill Top, Coventry, CV1 5AB
<i>Telephone</i>	024 7652 1200
<i>Website</i>	www.Dioceseofcoventry.org
<i>Company registration number</i>	319482 (England and Wales)
<i>Charity registration number</i>	247828 (England)
<i>Company Secretary</i>	Vacant
<i>Registrar and solicitors</i>	Mrs Mary Allanson, Mrs Jenny Dymond, Rotherham & Co 8 & 9 The Quadrant, Coventry, CV1 2EG
<i>Auditor</i>	Crowe UK LLP Black Country House, Rounds Green Road, Oldbury, B69 2DG
<i>Bankers</i>	Bank of Scotland Pentland House, 8 Lochside Avenue, Edinburgh, EH12 9DJ
<i>Diocesan Surveyors</i>	Tom Picking, Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Glebe Agent</i>	Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Insurers</i>	Ecclesiastical Insurance Office plc Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
<i>Investment Managers</i>	CCLA Investment Management Ltd Senator House, 85 Queen Victoria Street, London, EC4V 4ET Ecclesiastical Investment Management Ltd Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

SECTION 3: DIRECTORS' AND TRUSTEES' REPORT APPROVAL

This Trustees' and Directors' Report, including both the Strategic Report and the Governance Report, is approved by the trustees, by whose authority it is signed as below.



Mr Simon Danks

Chair of Coventry Diocesan Board of Finance Limited

6th June 2022

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

Opinion

We have audited the financial statements of Coventry 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 Statement of Cash flows 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 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 trustee's 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic 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 light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper accounting records have not been kept; or
- the 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 set out on page 18, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context for the UK operations were employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

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.



Kerry Brown | Senior Statutory Auditor

For and on behalf of **Crowe U.K. LLP**

Statutory Auditor

Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG

Date: 4 July 2022

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

	Notes	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Income and endowments from:							
Donations							
Parish Share	4a	4,688	-	299	-	4,987	4,988
Church Commissioners	4b	162	-	667	-	829	863
Other grants and donations	4c	124	-	309	-	433	480
Charges for charitable activities	4d	351	-	3	-	354	218
Other trading activities	4e	574	-	-	-	574	626
Investments							
Investments income	4f	67	-	44	2,136	2,247	2,336
Total return allocated to income	18	-	-	2,136	(2,136)	-	-
Release of historic return	18	-	-	1,511	(1,511)	-	-
Surplus on sale of assets		-	-	-	-	-	640
Total		5,966	-	4,969	(1,511)	9,424	10,151
Expenditure on:							
Raising funds	5a	234	-	-	246	480	425
Charitable activities							
Mission and ministry	5b	2,347	-	3,705	-	6,052	5,355
Support for mission and ministry	5c	2,231	26	296	-	2,553	2,683
Contributions to Archbishops' Council	5d	467	-	-	-	467	517
Diocesan Board of Education	5e	187	-	-	-	187	188
Other	5f	-	-	-	1	1	6
Total		5,466	26	4,001	247	9,740	9,173
Net income before investment gains		500	(26)	968	(1,758)	(316)	978
Net gains on investments:							
Net gains on revaluation	12	307	16	176	5,150	5,649	2,563
Surplus on sale of investments		-	-	-	138	138	288
Net income		807	(10)	1,144	3,530	5,471	3,829
Transfers between funds	19	(408)	480	(275)	203	-	-
Other recognised gains:							
Actuarial gains on defined benefit pension scheme	2	-	-	-	(6)	(6)	5
Net movement in funds		399	470	869	3,727	5,465	3,834
Reconciliation of funds							
Funds at 1 January	16	1,628	15,624	3,336	73,286	93,874	90,041
Net movement in funds		399	470	869	3,727	5,465	3,833
Funds at 31 December	16	2,027	16,094	4,205	77,013	99,339	93,874

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

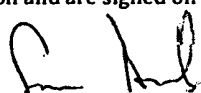
	2021	2020
	Total	Total
	£000s	£000s
Total income	10,935	10,151
Total expenditure	9,493	9,167
	1,442	984
Net gains on investments	5,649	224
Net income for the year before transfers	7,091	1,208
Transfer to endowment funds	(203)	(320)
Net income for the year after transfers	6,888	888

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.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

	Notes	2021 £000s	2020 £000s
FIXED ASSETS			
Tangible fixed assets	11	18,288	18,290
Fixed asset investments	12	<u>76,353</u>	<u>71,503</u>
		94,641	89,793
CURRENT ASSETS			
Debtors	13	2,156	2,354
Cash and cash equivalents		<u>3,952</u>	<u>3,281</u>
		6,108	5,635
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	14	<u>(1,352)</u>	<u>(1,376)</u>
NET CURRENT ASSETS		<u>4,756</u>	<u>4,259</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		99,397	94,052
Creditors: amounts falling due after more than one year	15	(58)	(178)
NET ASSETS	20	<u>99,339</u>	<u>93,874</u>
FUNDS			
Unrestricted funds:			
General Fund	16	2,027	1,628
Designated funds	16	<u>16,094</u>	<u>15,624</u>
		18,121	17,252
Restricted funds	16	4,205	3,336
Endowment funds	16	<u>77,013</u>	<u>73,286</u>
TOTAL FUNDS		<u>99,339</u>	<u>93,874</u>

The financial statements on pages 27 to 48 were approved by the Board of Directors and authorised for issue on and are signed on its behalf by:



6th June 2022

Mr Simon Danks
Chair of Coventry Diocesan Board of Finance Limited

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

	2021 £000s	2020 £000s
Cash flows from operating activities:		
Net cash generated by operating activities	(266)	(1,379)
Cash flows from investing activities:		
Proceeds from sale of fixed asset properties	-	810
Purchase of fixed assets	-	(332)
Proceeds from sale of investments	937	1,269
Purchase of investments	-	(951)
Net cash used by investing activities	937	796
Change in cash and cash equivalents in the year	671	1,335
Cash and cash equivalents at 1 January	3,281	1,946
Cash and cash equivalents at 31 December	3,952	3,281
	2021 £000s	2020 £000s
Analysis of cash and cash equivalents at 31 December		
Cash in hand	2,201	700
Short term deposits (less than 3 months)	1,751	2,581
Total cash and cash equivalents	3,952	3,281
Reconciliation of net movement in funds to net cash flow from operating activities		
	2021 £000s	2020 £000s
Net movement in funds for the year	5,465	3,833
Adjustments for:		
Gains on investments	(5,787)	(3,833)
Profit on sale of fixed asset properties	-	(640)
Depreciation of fixed assets	2	2
Actuarial (gains)/ losses on defined benefit pension scheme	(6)	5
Unwinding of pension liability discount	6	(6)
Decrease in debtors	198	53
Increase/(Decrease) in creditors	(144)	(121)
Net cash generated by operating activities	(266)	(707)

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

1 Principal accounting policies

Basis of accounting

The DBF is a charitable company and a public benefit entity. Therefore, the financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (FRS 102), the Companies Act 2006 and the applicable UK accounting standard (FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland). The financial statements have been prepared under the historical cost convention except that fixed asset investments are included at fair value at the balance sheet date. After making enquiries the trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Going Concern

The Covid-19 pandemic has impacted the charity's operations over the past year, particularly the SDF funded projects, and clergy and staff's ability to continue to build and maintain relationships for those the organisation is here to serve. From a financial perspective modelling of the long term impact of the pandemic has been maintained, and impact on parishes is being closely monitored by the Diocesan Finance Group. The Trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Income

Income is included in the Statement of Financial Activities when the charity is legally entitled to it, receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

Parish share income

Parish share income for the year, or for previous years, include amounts received up to the 31 December following the year end.

Income from parochial fees

Income from parochial fees is accounted for when received.

Grants (receivable)

Grant income is accounted for when the formal offer of funding is communicated in writing, any conditions related to the entitlement have been met, receipt is probable and the amount can be measured reliably.

Donations, legacies and similar income

Income from legacies is recognised when the DBF has been notified that there is a clear indication of the amount receivable. Donations and similar income are accounted for when received.

Investment income

Investment income is accounted for when receivable. Investment Income from Common Investment Funds managed by CCLA Investment Managers Ltd is considered receivable when dividends are declared.

Deferred income

Income is recognised as deferred where the event or rental period to which the income relates occurs beyond the end of the financial period being reported on.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate similar costs under each category of the Statement of Financial Activities.

Grants (payable)

Grants payable, are accounted for either in full or in part, when authorised, when the award of the grant has been specifically communicated to the recipient or when paid if there is no communication to the recipient in advance, and when any condition attaching to the grant is outside the control of the DBF.

Support costs

These costs consist of indirect staff costs, office and IT costs and governance costs. They are allocated to categories of expenditure on the basis of the proportion of staff time spent on each area of activity.

Governance costs

The costs allocated to governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Operating leases

Payments under operating leases are charged against income as incurred.

Investment gains and losses

For investments that are not part of the Diocesan Stipends Fund Capital Account, realised gains or losses are recognised in the Statement of Financial Activities when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at the year end. A total return approach has been adopted for the Diocesan Stipends Fund Capital Account. Part of the historic unapplied total return will be allocated to income in the year as determined by Bishop's Council.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

1 Principal accounting policies (continued)

Tangible fixed assets

Parsonage houses, operational properties and the diocesan offices

Parsonage houses, operational properties and the diocesan offices are held at cost or estimated cost. The cost of extensions which enhance the capital value of buildings is capitalised.

For parsonage houses, the legal title and right to beneficial occupation are vested in the incumbent, whereas the DBF is responsible for the maintenance and repair of such properties and can determine their subsequent use or sale. FRS 102 requires accounting treatments to follow the substance of arrangements rather than their strict legal form. Accordingly, parsonage houses are capitalised as tangible fixed assets.

Operational properties are houses owned by the DBF for occupation by stipendiary clergy and House for Duty priests.

The Diocesan Offices are at 7 Priory Row, Coventry (which shares the postal address of 1 Hill Top, Coventry, CV1 5AB).

Depreciation

Depreciation is not provided on land and buildings as any annual or accumulated depreciation would not be material. This is due to the long estimated remaining useful economic lives and because the estimated residual values are not materially less than their carrying values and the buildings are unlikely to suffer from obsolescence. Disposals of buildings occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying values. The DBF has a policy of regular inspection, repair and maintenance of buildings, charges for which are included in expenditure in the Statement of Financial Activities.

Depreciation of non-property fixed assets is charged at rates estimated to write off their cost less any residual value evenly over the expected useful lives that are as follows:

IT & Telecommunications Equipment	3 years
Office Furniture and Fittings	5 years

Individual items of office equipment and furniture with a purchase price of £5,000 or less are written off in the year in which the assets are acquired.

Financial Instruments

Fixed asset investments

Land and buildings held under the Endowments and Glebe Measure 1976 ("Glebe properties") are included at fair value. Glebe properties which are fixed asset investments are comprised of commercial properties and agricultural properties. Agricultural properties are predominantly land but include some agricultural buildings and residential properties. Glebe properties also include houses for occupation by clergy that are treated as tangible fixed assets.

Unlisted shares in investment funds are included at fair value at the balance sheet date.

Current assets and liabilities

Debtors are measured at the transaction price less any impairment losses. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources. Creditors are measured at the transaction price less any amounts settled. For pension liabilities, see note 2.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with any qualifying institution repayable on demand without more than seven days' notice or penalty.

Pension schemes – see note 2

Fund accounting

The General Fund is an unrestricted income fund which receives income available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted income funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes below.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes below.

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

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

2 Pension schemes' accounting policy and significant estimates and judgments

The DBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other two are for lay staff and are separate sections of the Church Workers Pension Fund – one a final salary scheme and the other a deferred annuity scheme. All three of these schemes are multi-employer defined benefit pension schemes for which the DBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. A valuation of each scheme, to determine future contribution levels, is carried out once every three years and the resulting report and recovery plan for any deficit is required to be completed within fifteen months of the valuation date. On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that formerly contracted-out schemes are required to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. In November 2020, the High Court handed down a further ruling concerning the equalisation of GMPs. This ruling requires Trustees to equalise transfer payments paid from schemes. This exercise will require a check on previous transfers paid and if appropriate pay a top-up transfer payment to the receiving scheme if the GMP element is deemed to be unequal.

Normally the Employer is required to reflect both the backdated and future costs of GMP equalisation arising from this judgment. However, since the DBF participate and are accounting as multi-employer defined benefit pension schemes this is not applicable. Any uplift in liability will be reflected in the financial statements once revised deficit recovery payment plans are issued.

Accounting policy

Where the scheme is in deficit and the DBF is required to make deficit recovery contributions, this obligation is recognised as a liability within creditors in the Balance Sheet. The amount recognised is the sum of the deficit recovery contributions payable, discounted to the net present value. The unwinding of the discount in each year, together with contributions required by the Pensions Board for the benefit in relation to pensionable service in the year, is recognised within expenditure in the Statement of Financial Activities. Changes in the pension liability due to changes in the discount rate used and due to inaccuracies and changes in the actuarial assumptions made by the Pensions Board are recognised as actuarial gains or losses in the Statement of Financial Activities.

The liability and movements in the liability are allocated to the Diocesan Stipends Fund Capital Account, an endowment fund held for investment return for the benefit of the Diocesan Stipends Fund Income Account which is expected to be sufficient to cover the DBF's future deficit recovery contributions. Deficit recovery contributions actually paid in the year are transferred from the Diocesan Stipends Fund Income Account to the Diocesan Stipends Fund Capital Account.

Church of England Funded Pension Scheme (CEFPS)

With effect from 1 January 1998, diocesan clergy became members of the new Church of England Funded Pensions Scheme. To enable this the DBF participates in this scheme and at 31 December 2021 was paying contributions for 120 members (2020: 122 members). The scheme provides benefits based on members' final pensionable stipends and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Pensionable stipends are currently the National Minimum Stipend in the preceding year. Benefits are currently being accrued on the basis of half of the pensionable stipend being paid as the normal pension on reaching the age of 68, or 1.25 times this amount for archdeacons, plus a lump sum normally three times the pension payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 are provided by the Church Commissioners under the previous arrangements. Each participating entity in the scheme pays contributions at a common contribution rate applied to pensionable stipends, which are currently the same as the National Minimum Stipend of the previous year.

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

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for future improvements in mortality in line with the CMI 2018 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.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

2 Pension schemes' accounting policy and significant estimates and judgments (continued)

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

% 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. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

Church of England Funded Pensions Scheme pension liability movements:	2021 £000s	2020 £000s
Pension liability at 1 January	397	732
Deficit contributions paid	(139)	(336)
Interest cost	1	6
Remaining change to the balance sheet liability*	6	(5)
Balance sheet liability at 30 September	265	397
Due within one year	265	339
Due after more than one year	-	-

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

Assumptions used by the Pensions Board to calculate the pension liability:

	2021	2020	2019
Discount rate	0% p.a.	0.2% p.a.	1.1% p.a.
Price inflation	n/a	3.1% p.a.	2.8% p.a.
Increase to total pensionable payroll	1.5% p.a.	1.6% p.a.	1.3% p.a.

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

Church Workers Pension Fund (CWPF) - Defined Benefits Scheme

The defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2018, the DBF had no active members, and has not admitted any further Coventry DBF staff to membership of this section of the scheme. There is one joint worker employed by Leicester Diocesan Board of Finance ("Leicester DBF") who is an active member of this section of the Church Workers Pension Fund.

The most recent scheme valuation completed was carried out as at 31 December 2019. The Leicester DBF contribution rate (affecting the cost of joint workers in this section of the Church Workers Pension Fund is 30.8% of salary. A liability of £62,000 (2020:£62,000) has been accrued within Other Accruals for the DBF share of the deficit relating to joint workers in the scheme.

Church Workers Pension Fund

This scheme is administered by the Church of England Pensions Board, which holds the assets separately to those of the participating employers. There are two sections, the Defined Benefits Scheme, and the Pension Builder Scheme which has two subsections; a deferred annuity section known as Pension Builder Classic, and a cash balance section known as Pension Builder 2014 both of which are defined benefit schemes. Pension Builder Classic provides a pension accumulated from contributions paid and converted into a deferred annuity during employment. Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account plus any bonuses is payable, unreduced from age 65.

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

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

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

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

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

2 Pension schemes' accounting policy and significant estimates and judgments (continued)
Valuation of Glebe Assets

At the end of 2021, the pandemic caused as a result of COVID-19 appeared to be drawing to an end with HM Government signalling "Plan B" and a general relaxation and removal of associated restrictions, although there is still a degree of uncertainty surrounding the impact that COVID-19 has had on the commercial property sector. Nevertheless as at the valuation date, property markets are mostly functioning, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly - and for the avoidance of doubt, our valuation is not reported as being subject to "material valuation uncertainty" as defined by VP3 and VPGA 10 of the RICS Valuation Global Standards.

3 Net income

	2021 £000s	2020 £000s
Net income is stated after charging/(crediting):		
Auditor's remuneration for the audit	18	18
Depreciation	1	2
Hire of office equipment	4	4
Surplus on disposal of tangible fixed assets	-	(640)

4 Analysis of income

a Parish Share

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Parish Share assessed for the year	5,078	-	299	-	5,377	5,447
Less shortfall in contributions	(440)	-	-	-	(440)	(515)
Received for the year	4,638	-	299	-	4,937	4,932
Arrears received in respect of previous years	50	-	-	-	50	56
	4,688	-	299	-	4,987	4,988

The shortfall in contributions includes Parish Share Relief of £154,587 (2020: £277,000)

b Grants from Church Commissioners and Archbishops' Council

This reflects monies from Church Commissioners and Archbishops' Council which are used in the following activities:

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Capacity Funding	-	-	-	-	-	231
Ministry Division funding of Curates	130	-	-	-	130	22
Mission to Lowest Income	-	-	398	-	398	385
Communities grant	-	-	269	-	269	184
Ordination Training Grant (see note 17)	-	-	-	-	-	-
Contribution to Bishop's Legal costs	32	-	-	-	32	41
	162	-	667	-	829	863

c Other grants and donations

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
King Henry VIII Endowed Trust	-	-	291	-	291	224
Allchurches' Trust	111	-	-	-	111	105
Other grants and similar income	13	-	18	-	31	151
	124	-	309	-	433	480

d Charges for charitable activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Parochial fees	333	-	-	-	333	217
Churches closed for public worship	-	-	3	-	3	-
Contributions to expenditure	18	-	-	-	18	1
	351	-	3	-	354	218

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

4 Analysis of income (continued)

e Other trading activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Rental income(non-investment properties)	351	-	-	-	351	385
Recharged payroll costs	159	-	-	-	159	166
Training	8	-	-	-	8	1
Sundry income	56	-	-	-	56	74
	574	-	-	-	574	626

f Investments

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Glebe property income	-	-	-	1,158	1,158	1,282
Unlisted securities	66	-	10	956	1,032	1,026
Bank and deposit interest	1	-	34	-	35	7
Other property income	-	-	-	22	22	21
	67	-	44	2,136	2,247	2,336

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

5 Analysis of expenditure
a Raising funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Glebe operating costs	-	-	-	188	188	124
Glebe management fees	-	-	-	58	58	62
Parsonage rental costs	45	-	-	-	45	47
Support costs	189	-	-	-	189	192
	234	-	-	246	480	425

b Mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Clergy stipends costs (see note 9)	-	-	3,670	-	3,670	3,303
Curates' stipends costs (see note 9)	618	-	-	-	618	702
Clergy housing	1,096	-	35	-	1,131	864
Clergy appointment & retirement costs	175	-	-	-	175	96
Staff costs (see note 10)	151	-	-	-	151	137
Fees to retired stipendiary clergy	24	-	-	-	24	19
Other clergy diocesan expenses	108	-	-	-	108	58
Support costs	175	-	-	-	175	176
	2,347	-	3,705	-	6,052	5,355

c Support for mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Department costs	232	-	-	-	232	195
Staff costs (see note 10)	995	-	-	-	995	1,069
Grants (see note 7)	386	26	268	-	680	758
Churches closed for public worship	-	-	28	-	28	27
New church building	-	-	-	-	-	12
Support costs	618	-	-	-	618	623
	2,231	26	296	-	2,553	2,684

d Contributions to Archbishops' Council

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Training for ministry	190	-	-	-	190	232
National Church Responsibilities	162	-	-	-	162	174
Grants & provisions	20	-	-	-	20	19
Mission agencies' pension costs	10	-	-	-	10	9
Retired clergy housing & other costs	85	-	-	-	85	83
	467	-	-	-	467	517

e Diocesan Board of Education

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Grants (see note 7)	159	-	-	-	159	159
Support costs	28	-	-	-	28	29
	187	-	-	-	187	188

f Other

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s	2020 Total £000s
Unwinding of pension liability discount	-	-	-	1	1	6
	-	-	-	1	1	6

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
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6 Analysis and allocation of support costs

	Raising funds	Ministry & mission	Support for ministry & mission	Education	2021 Total	2020 Total
	£000s	£000s	£000s	£000s	£000s	£000s
Governance, management & finance						
Staff costs (see note 10)	121	51	239	27	439	448
Other costs	28	19	106	1	154	145
Office						
Staff costs (see note 10)	14	87	135	-	236	239
Other costs	26	17	138	-	181	187
	189	175	618	28	1,010	1,019

7 Grants Awarded

	2021 £000s	2020 £000s
To parishes and other organisations in the Diocese		
<i>Mission & ministry in parishes</i>		
Mission to Lowest Income Communities grants	7	109
Diocesan Mission Fund grants to parishes	-	21
20-30s development work	19	39
Growing Faith project grants to parishes	-	50
Bishop's mission funds grants to parishes	3	17
<i>Church land and buildings</i>		
Church Improvement Fund grants	5	44
Other church building developments	7	-
Church Fabric Fund grants	17	30
<i>Other organisations in the Diocese</i>		
Coventry Diocesan Board of Education	159	159
Together For Change	30	30
Coventry Cathedral	120	16
	367	515
To other institutions		
Syrian Orthodox Christian School	9	-
	9	-
To individuals		
For support of ordinands in ministerial training	452	386
Other grants to clergy and readers	10	15
Lay retreat grants	2	1
	464	402
	840	917

Summarised by fund type:

	General Fund £000s	Designated funds £000s	Restricted funds £000s	2021 Total £000s	2020 Total £000s
Support for mission and ministry					
Mission and ministry in parishes	19	3	7	29	236
Church land and buildings	7	22	-	29	74
Other organisations in the Diocese	150	-	-	150	46
Other institutions	-	-	9	9	-
Individuals	212	-	252	464	402
	388	25	268	681	758
Diocesan Board of Education					
Other organisations in the Diocese	159	-	-	159	159
	159	-	-	159	159
	547	25	268	840	917

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
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8 Trustees' emoluments and expenses

None of the trustees received any emoluments from the DBF for services performed as directors (2020: £nil).

The parochial clerical members who are trustees of the DBF and the archdeacons are in receipt of a stipend, housing and other payments made to clergy paid by the DBF by virtue of their office. The DBF provides housing for the Suffragan Bishop by virtue of his office.

No trustees received travel expenses related to activity as trustees of the DBF (2020: one £97). Two trustees received a total of £787 in the year for travel and other expenses in connection with their membership of the General Synod of the Church of England, membership of which is not connected with their membership of the Board (2020: one and £502). Eleven trustees received a total of £435,807 in connection with other offices held in the Diocese (2020: eleven and £446,422). These amounts were for stipends, accrued pension benefits, housing, expenses and sundry grants for resettlement and ministerial development.

9 Clergy headcount and costs

The average full time equivalent number of stipendiary clergy who were office holders in the Diocese was 105 (2020: 109); this included two (2020: two) archdeacons.

	2021 £000s	2020 £000s
Stipends	2,937	2,956
Social security costs	244	244
Pension contributions	1,108	761
	4,288	3,961

10 Staff headcount and costs

a Staff numbers based on headcount

	2021 Headcount	2020 Headcount
Staff employed directly:		
Mission and ministry	9	6
Support for mission and ministry	22	32
Central support	11	10
	42	48
Staff employed via third parties		
Support for mission and ministry	-	1
Central support	2	3
	44	52

b Staff costs

	2021 £000s	2020 £000s
Staff employed directly:		
Salaries	1,443	1,417
Social security costs	139	134
Pension contributions	131	140
	1,713	1,691
Staff employed via third parties:		
For service in the year	106	199
	1,819	1,890

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
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11 Tangible fixed assets

	Parsonages £000s	Glebe houses £000s	Operational properties £000s	Diocesan offices £000s	Office equipment £000s	Total £000s
Cost						
At 1 January 2021	6,219	928	10,295	846	237	18,525
At 31 December 2021	6,219	928	10,295	846	237	18,525
Depreciation						
At 1 January 2021	-	-	-	-	235	235
Charge for year	-	-	-	-	2	2
At 31 December 2021	-	-	-	-	237	237
Net book value						
At 31 December 2021	6,219	928	10,295	846	-	18,288
At 31 December 2020	6,219	928	10,295	846	2	18,290

All tangible fixed assets were used for direct charitable purposes.

12 Fixed asset investments

	Glebe properties £000s	Unlisted investments £000s	Total £000s
Fair value at 1 January 2021	34,654	36,849	71,503
Disposals at cost	(799)	-	(799)
Gains on revaluation	304	5,345	5,649
Fair value at 31 December 2021	34,159	42,194	76,353

13 Debtors

	2021 £000s	2020 £000s
Glebe agents	423	171
Parish Share	-	27
Accrued grant income due within one year	1,078	1,530
Prepayments and accrued other income	437	469
Other debtors	218	157
	2,156	2,354

14 Creditors: amounts falling due within one year

	2021 £000s	2020 £000s
Trade creditors	224	172
Grant payment accruals	178	300
Other accruals	264	248
Deferred income	288	225
Taxation and social security	133	82
Pension contributions payable for the period	-	10
Pension liability (see note 2)	265	339
	1,352	1,376

15 Creditors: amounts falling due after more than one year

	2021 £000s	2020 £000s
Pension liability (see note 2)	-	58
Grant payment accruals	58	120
	58	178

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
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16 Statement of funds

	At 1 Jan 2021 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 Dec 2021 £000s
GENERAL FUND	1,628	5,966	(5,466)	(408)	307	2,027
DESIGNATED FUNDS						
Operational Properties Fund	11,143	-	-	-	-	11,143
Cathedral "Endowment" Fund	4,000	-	-	500	-	4,500
Bishop's Mission Fund	34	-	(3)	-	-	31
Extra Mission and Ministry Support Fund	106	-	-	-	-	106
Diocesan Mission Fund	53	-	-	(18)	-	35
Church Buildings Fund	71	-	(17)	-	-	54
Church Improvement Fund	77	-	(5)	(32)	-	40
Bishop of Coventry's Link Dioceses Fund	5	-	-	-	-	5
Lambeth Conference Fund	20	-	-	-	-	20
Special Projects 2020	(9)	-	-	29	-	20
Clergy Holidays Fund	125	-	-	-	16	141
Total designated funds	15,624	-	(25)	480	16	16,094
Total unrestricted funds	17,252	5,966	(5,491)	72	323	18,121
RESTRICTED FUNDS						
Pastoral Fund	3	3	(25)	19	-	-
Acceler8 Grants Fund	65	(10)	-	(55)	-	-
Serving Christ Fund	1,064	-	-	(182)	-	882
Mission to Lowest Income Communities Fund	251	398	-	(66)	-	583
Church Commissioners' Mission Fund	5	-	-	(3)	-	2
LINC DMF Fund	(8)	-	(7)	14	-	(1)
LINC NCD Fund	13	-	-	-	-	13
LINC CGDA Fund	17	-	(3)	-	-	14
LINC Stipends Fund	58	-	-	(54)	-	4
LINC Growth Strategy	-	-	-	300	-	300
Places of Peace Fund	7	-	-	-	-	7
Offa Capital Projects Fund	283	-	-	-	-	283
Offa Spiritual Renewal Fund	1,224	43	-	-	168	1,435
Syrian Orthodox Christian School Fund	11	8	(8)	-	-	11
SOCs Scholarship Fund	2	-	(1)	-	-	1
Companionship Link Funds	2	-	-	-	-	2
Retreat Grants Fund	20	-	(2)	-	-	17
The Reverend George Goode Fund	15	-	-	-	-	15
Ordination Training Grant Fund	(17)	285	(251)	-	-	17
DC Bonfield Bequest	58	-	-	-	-	58
Archdeacons' Discretionary Fund	46	1	-	-	7	53
Queen Victoria Clergy Fund	2	3	-	-	-	5
Diocesan Stipends Fund Income Account	-	-	(3,115)	3,446	-	331
Capacity Funding	215	-	-	(45)	-	170
Deanery Share Support Fund	-	299	(299)	-	-	-
Warwick Clergy Stipends & Housing Fund	-	291	(291)	-	-	-
Total restricted funds	3,336	1,322	(4,001)	3,374	175	4,205
ENDOWMENT FUNDS						
<i>Expendable:</i>						
Parsonage Houses Fund	6,218	-	-	-	-	6,218
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	66,654	2,136	(245)	(3,647)	5,234	70,132
Church of England Funded Pension Fund	(397)	-	1	201	(6)	(201)
Coventry Diocesan Endowment Fund	811	-	-	-	54	865
Total endowment funds	73,286	2,136	(244)	(3,446)	5,282	77,013
TOTAL FUNDS	93,873	9,422	(9,735)	0	5,780	99,339

* Transfers include £3,621k (2020: £4,122k) released to restricted funds in accordance with the DBFs total return policy.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

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17 Descriptions of Designated, Restricted and Endowment Funds

DESIGNATED FUNDS

Operational Properties Fund

This fund represents the cost of properties held for operational use by the DBF and by clergy not in parochial posts that otherwise would be held by the General Fund, including the houses occupied by the Suffragan Bishop and the archdeacons, but excluding Glebe houses for occupation by clergy, together with surplus cash from the sale of properties held for reinvestment in houses for curates and other clergy.

Cathedral "Endowment" Fund

With the loss of trading income for the Cathedral during the COVID 19 pandemic, the DBF intends to create a fund with a capital amount of £5m which is to remain under the control of the DBF. The income generated from the capital amount, currently invested with CCLA, will be granted on a quarterly basis to the Cathedral each year. It is expected that c£150k will be derived from these investments. This income can be used by the Cathedral on its normal running costs and in return the Cathedral will continue to provide Diocesan services, and work with parishes on the reconciliation ministry strategic objective across the Diocese. These funds can be undesignated, in agreement with the Cathedral, by the DBF in the future. Following the review of the performance in 2020 funds of £4m were made available to create this fund.

Bishop's Mission Fund

This fund has been established to support specific mission projects sponsored by the Bishop of Coventry.

Extra Mission and Ministry Support Fund

This fund enables the DBF to give financial support to those providing ministry and mission.

Diocesan Mission Fund

The Diocesan Mission Fund was set up in 2009 and has been replenished to fund applications for mission support from parishes.

Church Buildings Fund

This fund is also known as the Church Fabric Fund and is normally used to make fabric grants to churches.

Church Improvement Fund

This fund is used to make improvement grants to churches for their buildings with the aim of increasing mission effectiveness.

Bishop of Coventry's Link Dioceses Fund

This fund is supported by transfers from the General Fund and relates to the Anglican Diocese of Kaduna and the Syrian Orthodox Diocese of Jerusalem.

Clergy Holidays Fund

This fund receives interest arising from the capital on the past sale of a flat in Bournemouth and a bequest received in 2005. It is used by the Archdeacons to make holiday grants to clergy and licensed lay workers.

RESTRICTED FUNDS

Pastoral Fund

Acceler8 Grants Fund

This fund has been set up as a result of a grant awarded in 2015 by the Church Commissioners towards the cost of a project to speed up the growth of churches across the diocese by improving their health in eight quality areas and by intentionally focusing on the 20s and 30s age range.

Serving Christ Fund

This fund has been set up as a result of a grant awarded in 2017 by the Church Commissioners towards the costs of the Serving Christ project, an extension of the existing diocesan strategy of growing healthy churches. The project aims to increase significantly the capacity for growth in existing and emerging churches across the diocese of Coventry, and also Ebbsfleet parishes in other Dioceses, by a focus on discipleship development.

Mission to Lowest Income Communities Fund

This fund is for grants received from the Church Commissioners during the 2017 to 2019 triennium for mission to lowest income communities in the Diocese.

New Church Building Funds

This fund is for monies received from the Stoke Aldermoor PCC for additional works on the new church building.

Church Commissioners' Mission Fund

This fund represents additional funds given to the DBF by the Church Commissioners that have arisen as a result of better returns on their investment assets and may be used to support parochial ministry and mission.

Warwick 20s and 30s Development Fund

This fund was set up in the year for income from The King Henry VIII Endowed Trust, Warwick to pay for the cost of a 20s and 30s development worker for the parishes of the Warwick Team and Budbrooke.

Offa Capital Projects Fund

The Trustees and Bishop of Coventry have set this fund using the proceeds of the Offa House sale. The capital and income from this fund can be used to fund capital projects that support the spiritual development of the members of the church in the Diocese of Coventry.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

17 Descriptions of Designated, Restricted and Endowment Funds (continued)

Office Spiritual Refreshment Fund

This fund has been set up using the monies from the sale of Offa House. The capital and income from this fund is available to fund projects for children and/or adults which develop their spirituality.

Syrian Orthodox Christian School (SOCS) Funds

The Mar Ephraim School is a Syrian Orthodox school that opened in Bethlehem in 2006. Donations to the main fund go to support the school and the Scholarship Fund is used to provide a bursary for a pupil. These funds were previously managed by Coventry Cathedral and were paid over to the DBF in December 2011.

Companionship Link Funds

These funds are funds raised to fund specific projects for the linked dioceses.

Retreat Grants Fund

This fund was set up with funds donated by the company which managed the former retreat house, for retreat grants for lay people who are not licensed and who are communicant members of the Church of England within the Diocese of Coventry.

The Reverend George Goode Fund

This fund represents money held for training and supporting the ministry of Readers in the Diocese.

Ordination Training Grant Fund

This fund is for the block grant received from the Archbishop's Council for training ordinands sponsored by the Diocese. The block grant is based on the number and age of ordinands sponsored by the Diocese and can only be used to fund training on Initial Ministerial Education Phase 1 pathways at accredited institutions approved by the Ministry Division of the Archbishop's Council.

DC Bonfield Bequest and Ordination Candidates' Fund

These funds enable the DBF to give financial support to those in training for the Ministry. The DC Bonfield Bequest funds came from the estate of Donald Charles Bonfield in 2006 and subsequent years.

Archdeacons' Discretionary Fund and the Queen Victoria Clergy Fund

These funds enable the Archdeacons and the Bishop to give discretionary grants to those in Parochial Ministry in need.

Diocesan Stipends Fund Income Account

This fund consists of accumulated income balances subject to the Diocesan Stipends Fund Measure 1953. It receives income specifically for support of stipends, in particular Glebe rental income and investment income from the Diocesan Stipends Fund Capital Account, and is charged with expenditure on Clergy stipends and the management and maintenance of Glebe property. The excess of expenditure over income is charged to the General Fund.

Capacity Funding

This fund has been set up as a result of a grant awarded in 2020 from the Church Commissioners to fund the first year of salary for the Programme Manager and the Director of New Worshipping Communities posts which form part of the Growth Strategy of the Diocese.

Deanery Share Support Fund

This fund has been set up as part of the Deanery Share system to assist deaneries that need support to cover the cost of parochial ministry posts with an allocation from the combined parish shares of deaneries that are able to contribute.

Warwick Clergy Stipends & Housing Fund

This fund receives income from The King Henry VIII Endowed Trust, Warwick to pay for stipend and housing costs of clergy in the parishes of the Warwick Team and Budbrooke.

The following fund is still active but has a zero balance and there has been no activity during the year:

EE Bardsley Bequest

These funds were received in 2005 and 2006 from the estate of the late Mrs Edith Bardsley, widow of the late Bishop Bardsley, for use by the Coventry Diocesan Board of Mission, of which the DBF is the successor. Both capital and income may be used.

ENDOWMENT FUNDS

Parsonage Houses Fund

This fund represents the capitalised value of clergy housing for which the DBF has responsibility for maintenance.

Diocesan Stipends Fund Capital Account

This fund represents the value of property and investments held under the Endowments and Glebe Measure 1976. Historically, these holdings were held at parish level for the benefit of individual clergy stipends, but since the Measure they have been managed at Diocesan level for the benefit of all clergy paid for by the DBF.

Coventry Diocesan Endowment Fund

This fund is established to produce income applied for the augmentation of stipends. The assets of the fund are held by the Diocesan

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

18 Total Return

	Trust for Investment £000s	Unapplied Total Return £000s	Total £000s
At 1 January 2021			
Gift component of the permanent endowment	14,984	-	14,984
Accumulated inflation since original gift	6,981	-	6,981
Accumulated net transfers brought forward	(162)	-	(162)
Unapplied total return	-	44,839	44,839
	21,803	44,839	66,642
Movements in the year			
Investment return: property income, dividends and interest	-	2,136	2,136
Investment return: realised and unrealised gains and losses	-	5,234	5,234
Indexation on base value of investment	495	(495)	-
	495	6,875	7,370
 Unapplied total return allocated to income in the year	-	(2,136)	(2,136)
Release of historic unapplied total return	-	(1,511)	(1,511)
	-	(3,647)	(3,647)
 Net movements in the year	495	3,228	3,723
At 31 December 2021			
Gift component of the permanent endowment	14,984	-	14,984
Accumulated inflation since original gift	7,476	-	7,476
Accumulated net transfers carried forward	(162)	-	(162)
Unapplied total return	-	48,067	48,067
	22,298	48,067	70,365

19 Transfers between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s
Lowest Income Communities work	(327)		327		-
Mission to Lowest Income communities Funds			(300)		
LINC Growth Strategy			300		
LINC DMF	45		(45)		-
	48		(48)		-
Church Commissioners' Mission Fund	3		(3)		-
Top up Church Improvement Fund	32	(32)			-
Pension deficit contributions paid in year			(203)	203	-
Releases to cover General Fund costs incurred:					-
Acceler8 project	55	-	(55)		-
Serving Christ project	182		(182)		-
Diocesan Mission Fund	18	(18)			-
LINC DMF Fund	(14)		14		-
LINC Stipend Fund	54		(54)		-
Special Projects 2020	(29)	29			-
Pastoral Fund	(19)		19		-
Cathedral Endowment Fund	(500)	500			-
Capacity Funding	45		(45)		-
	(408)	480	(275)	203	-

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

20 Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2021 Total £000s
Funds at 31 December 2021 are represented by:					
Tangible fixed assets	-	11,141		7,147	18,288
Fixed asset investments	2,441	132	1,390	72,388	76,351
Net current assets	(414)	4,824	2,869	(2,522)	4,758
Creditors falling due after more than one year		(3)	(55)	-	(58)
Total net assets	2,027	16,094	4,204	77,013	99,339

21 Related party transactions

The Coventry Diocesan Board of Education ("the DBE") is a related party as it is responsible to Diocesan Synod, the members of which are also the members of the DBF. The DBF provided the DBE with grants of £159,000 (2020: £159,000) in the year towards the costs of the DBE's statutory obligations and, in 2020, the costs of academisation and the costs of potential new schools development (see note 7). Other grants provided by the DBF totalled £0 (2020: £0). Other services provided by the DBF totalled £0 (2020: £0). The net amount owing from the DBE at 31 December 2021 in relation to transactions between the two parties was £0 (31 December 2020: £0).

The Coventry Diocesan Trustees (Registered) ("the CDT") is a related party as it is the custodian trustee of the Coventry Diocesan Endowment Fund and a residential property. Income received from the Diocesan Trustees during the year for the Diocesan Stipends Fund Income Account was:

Coventry Diocesan Endowment Fund	£21,987 (2020: £21,232)
Residential property	£4,031 (2020: £2,362)

Costs incurred by the DBF on behalf of the Diocesan Trustees were £33,860 (2020: £35,602). These costs were for secretarial support, land registrations and audit fees.

Together for Change (TFC) is a joint venture between the DBF and the Church Urban Fund. Costs incurred by the DBF as part of this partnership include the supply of a Chief Executive Officer, office and IT provision, and finance and HR services. A grant of £30,000 was awarded in the year (2020: £22,000).

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

22 Prior year Statement of Financial Activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s
Income and endowments from:					
Donations					
Parish Share	4,639	-	349	-	4,988
Church Commissioners	63	-	800	-	863
Other grants and donations	236	-	244	-	480
Charges for charitable activities	218	-	-	-	218
Other trading activities	626	-	-	-	626
Investments					
Investment income	65	5	53	2,213	2,336
Total return allocated to income	-	-	2,213	(2,213)	-
Release of historic return	-	-	1,909	(1,909)	-
Other	-	640	-	-	640
Total	5,847	645	5,568	(1,909)	10,151
Expenditure on:					
Raising funds	239	-	186	-	425
Charitable activities					
Mission and ministry	1,170	-	4,185	-	5,355
Support for mission and ministry	2,212	118	354	-	2,683
Contributions to Archbishops' Council	517	-	-	-	517
Diocesan Board of Education	188	-	-	-	188
Other	-	-	-	6	6
Total	4,325	118	4,725	6	9,173
Net income/(expenditure) before investment gains	1,522	527	843	(1,915)	979
Net gains/(losses) on investments					
Net losses on revaluation	138	7	79	2,339	2,563
Surplus on sale of investments	-	-	-	288	288
Net income/(expenditure)	1,660	534	922	712	3,829
Transfers between funds	(2,692)	3,044	(671)	320	-
Other recognised gains/(losses):					
Actuarial loss on defined benefit pension scheme	-	-	-	5	5
Net movement in funds	(1,032)	3,578	250	1,037	3,834
Reconciliation of funds					
Funds at 1 January	2,660	12,046	3,086	72,249	90,041
Net movement in funds	(1,032)	3,578	250	1,037	3,833
Funds at 31 December	1,628	15,624	3,336	73,286	93,874

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

23 Prior year Statement of funds

	At 1 Jan 2020 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 Dec 2020 £000s
GENERAL FUND	2,660	5,847	(4,325)	(2,692)	138	1,628
DESIGNATED FUNDS						
Operational Properties Fund	11,605	-	-	(1,102)	640	11,143
Cathedral Endowment Fund	-	-	-	4,000	-	4,000
Bishop's Mission Fund	35	1	(2)	-	-	34
Extra Mission and Ministry Support Fund	126	-	(20)	-	-	106
Diocesan Mission Fund	73	1	(21)	-	-	53
Church Buildings Fund	26	-	(30)	75	-	71
Church Improvement Fund	61	-	(44)	60	-	77
Bishop of Coventry's Link Dioceses Fund	5	-	(1)	-	-	4
Lambeth Conference Fund	-	-	-	20	-	20
Special Projects 2020	-	-	-	(10)	-	(10)
Clergy Holidays Fund	115	3	-	-	7	125
Total designated funds	12,046	5	(118)	3,044	647	15,624
Total unrestricted funds	14,706	5,852	(4,443)	352	785	17,252
RESTRICTED FUNDS						
Pastoral Fund	30	-	(27)	-	-	3
Acceler8 Grants Fund	123	-	-	(58)	-	65
Serving Christ Fund	1,326	-	-	(261)	-	1,065
Mission to Lowest Income Communities Fund	66	385	(121)	-	-	330
Church Commissioners' Mission Fund	-	-	5	-	-	5
Warwick 20s-30s Development Worker Fund	(1)	1	-	-	-	-
Place of Peace Fund	-	11	(4)	-	-	7
Offa Capital Projects Fund	282	1	-	-	-	283
Offa Spiritual Renewal Fund	1,114	33	-	-	76	1,223
Syrian Orthodox Christian School Fund	5	6	-	-	-	11
SOCS Scholarship Fund	2	-	-	-	-	2
Companionship Link Funds	2	-	-	-	-	2
Retreat Grants Fund	19	2	(1)	-	-	20
The Reverend George Goode Fund	15	-	(1)	1	-	15
Ordination Training Grant Fund	(2)	184	(199)	-	-	(17)
DC Bonfield Bequest	58	-	-	-	-	58
Archdeacons' Discretionary Fund	45	1	(3)	-	3	46
Queen Victoria Clergy Fund	2	2	(3)	1	-	2
Diocesan Stipends Fund Income Account	-	18	(3,799)	3,781	-	-
Capacity Fund	-	231	-	(16)	-	215
Deanery Share Support Fund	-	349	(349)	-	-	-
Warwick Clergy Stipends & Housing Fund	-	223	(223)	-	-	-
Total restricted funds	3,086	1,447	(4,725)	3,449	79	3,336
ENDOWMENT FUNDS						
<i>Expendable:</i>						
Parsonage Houses Fund	6,233	-	-	(15)	-	6,218
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	65,985	2,213	-	(4,122)	2,577	66,653
Church of England Funded Pension Scheme	(732)	-	(6)	336	5	(397)
Coventry Diocesan Endowment Fund	763	-	-	-	48	811
Total endowment funds	72,249	2,213	(6)	(3,801)	2,630	73,285
TOTAL FUNDS	90,041	9,512	(9,174)	-	3,494	93,874

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

24 Prior year Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s
Funds at 31 December 2020 are represented by:					
Tangible fixed assets	2	11,141	-	7,147	18,290
Fixed asset investments	2,134	116	1,216	68,037	71,503
Net current assets	(508)	4,392	2,215	(1,898)	4,201
Creditors falling due after more than one year	-	(25)	(95)	-	(120)
Total net assets	1,628	15,624	3,336	73,286	93,874

Accounts



**COVENTRY DIOCESAN BOARD
OF FINANCE LIMITED**



ANNUAL REPORT AND FINANCIAL STATEMENTS for the year ended 31 December 2020

Company Registered Number: 319482
Registered Charity Number: 24782

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2020

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COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020

Message from Bishop Christopher

It impossible to express the full extent of my appreciation for the depth and breadth of the work that has been carried out across this Diocese in what has been the most extraordinary year. I extend my thanks to everyone and, in particular, to Simon Danks, who picked up the reins of the Diocesan Board of Finance as our new Chair in May; to the members of the Bishop's Council and Trustees of the Board of Finance; to staff, clergy, Readers and the many volunteers, who support the work of the DBF through their service to and membership on boards and committees; and to all those who serve the wider church in the Diocese, as church officers and volunteers. Because of you, empowered by the grace of God, we have been able – in the midst of adversity – to live out our Mission Purpose of worshipping God, making new disciples and transforming communities.

In recent months I have had in my mind and on my heart three words – recovery, renewal and resurrection - that I feel speak to the place in which we find ourselves and the road we are called to follow as Christians. This report sets out much that needs to precede this journey in faith, in examples of the re-alignment and re-imagining of our work and ministries, over the last 12 months or so.

In this year, which has seen such loss and suffering, I find it quite amazing that so much has been achieved. The stories of just some of this activity are set out in the following pages. These stories illustrate how through your re-adjustment and re-imagining, especially the remarkable movement to delivering much of Church life online and the wonderful examples of reaching out through Christian social action to our communities in their need, that not only has the journey to recovery been started but also the experience of renewal is well under way.

There is much more to be done, and the journey forward will not be without its challenges, but we have much to look forward to, and with our faith rooted in the Resurrection of Christ, we thank God for all that is still to come.

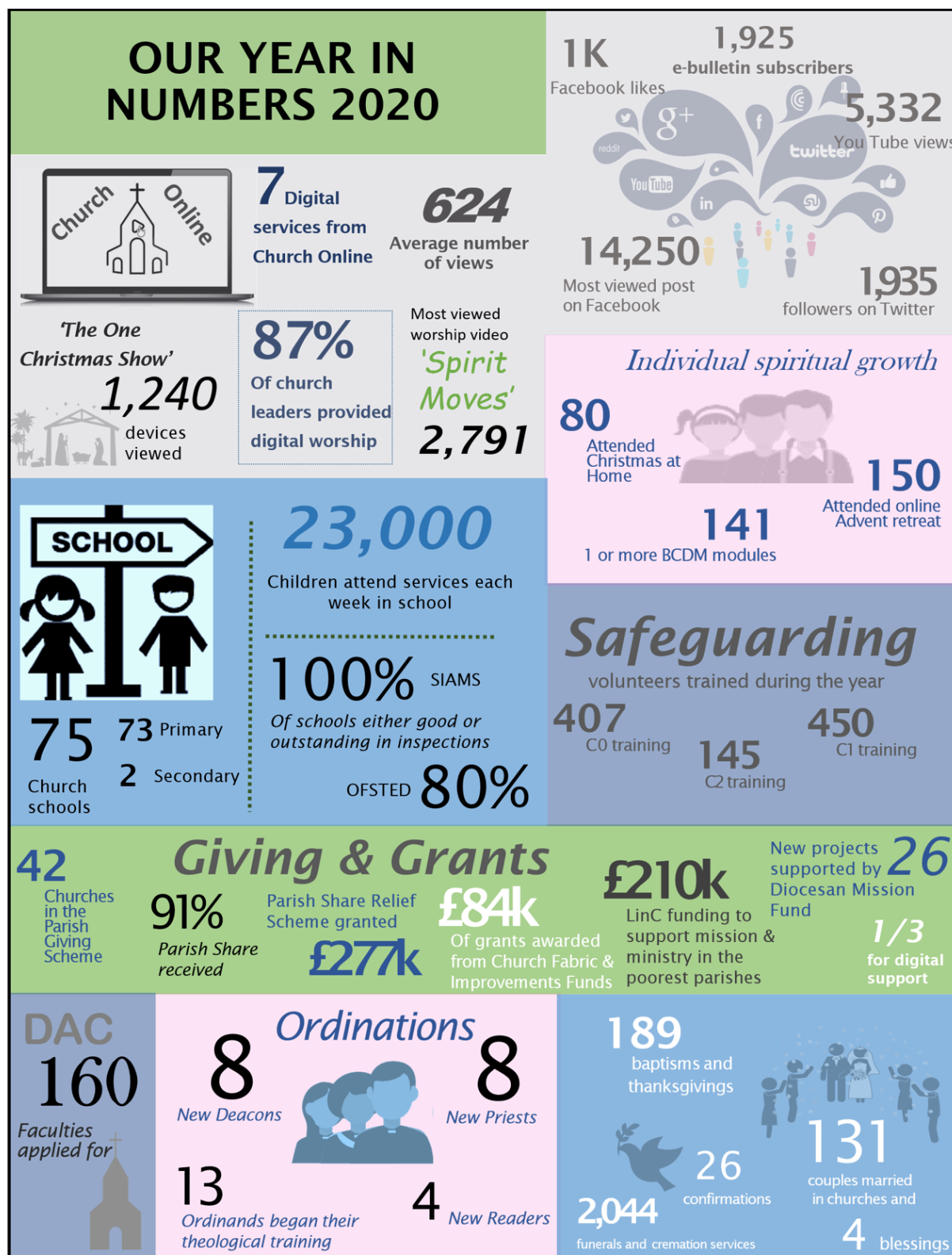


**The Rt Revd Dr Christopher Cocksworth,
Bishop of Coventry**

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020



COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020

Chair's Report

It gives me great pleasure to write this, my first report as Chair of the Coventry Diocesan Board of Finance, having picked up the reins from Peter Rogers in June 2020. Peter Rogers stepped into the role at the beginning of the year on an interim basis. Little did he know when he took on the task that he would be called upon to steer the DBF through such a challenging few months as the effects of the Covid-19 pandemic and first national lockdown took hold. Thank you Peter for getting us off to a good start.

Covid 19 has continued to have an impact on the DBF throughout the year requiring us to rethink how we support the parishes and communities we serve, and our plan for the future. However thanks to the continuing careful stewardship of our resources and the work of our Glebe and Investment Sub Committee there has been a minimal adverse impact on our property income and investments. Our investments with CCLA have performed well and income on Glebe property, although down on the budget, has held up well with reduced income largely due to our provision for bad debt on our commercial portfolio. Parish Share income however has been harder hit as a result of long periods when church buildings have had to be closed. The DBF responded quickly to concerns from PCCs that they may not be able to meet the pledged parish share offers made in 2019, by establishing a Parish Share Relief Scheme funded from our historic unapplied return. Parish Share Relief has been taken up by 29 Parishes.

Income from Parish Share however is down on 2019. Those parishes that have weathered the storm of Covid-19 most successfully are those who have larger numbers of planned givers and those who are members of the Parish Giving Scheme. The pandemic has seen an increase in the number of parishes signing up for the Parish Giving Scheme with 42 churches now members and more applying to join. I am hugely grateful to the work of our PCCs and their treasurers for promoting this scheme and helping to strengthen our financial base.

Despite these challenges during 2020 we have made significant progress on the development of our Church Growth Strategy, which aims to enable the establishment of 150 new worshipping communities by 2030. A consultation exercise on the emerging proposals for a diocesan wide network on Mission Hub Churches and the establishment of a number of urban Church Plants in some of our poorest communities, was run during the spring and early summer. This resulted in a successful stage 1 bid application being submitted in October to the Church Commissioners' Strategic Development Fund for the urban Church Plant element of the strategy. Archdeacon Barry Dugmore is now working with his Mission and Discipleship team to work up a final stage 2 bid, which will be submitted in May 2021.

Work on supporting the development of Deanery plans, which will include clergy deployment strategies, has continued during lockdown with the majority of deaneries now engaging in conversation with the Archdeacon's and Church Buildings Team. Planning our needs for future ministry and identifying where our planned 150 new worshipping communities will be most successful to build the Kingdom of God across the Diocese has never been more important as we reach out to communities, many of which have been severely affected by the economic, social and spiritual effects of the pandemic.



COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020

The pandemic and successive periods of lockdown has resulted in long periods during which many of our church buildings have been closed. This however has not meant that Church has been closed. From early in the first lockdown a huge effort has gone in to helping churches spread the Gospel message through on-line means. The Healthy Churches team, supported by Serving Christ team colleagues and others, have developed on-line resources to support Church On-line. Further supported by Diocesan Mission Fund grants, in particular the £500 mustard seeds grants, churches large and small have equipped themselves to reach, not only regular members of their congregations, but a much wider section of the community who would not normally engage with conventional worship. The Church Improvement Fund has also continued to make grants during 2020 with £44,000 awarded.

The DBF grant to Together for Change (£30,000), our joint venture with the Church Urban fund, has played an important role in helping to sustain the charity during a difficult year, which saw grant funding from CUF come to an end. Never has the work of TFC been more needed and welcome across our poorest and most disadvantaged communities. The grant helped ensure the core team has kept going, raising funds from a wide range of funding organisations enabling the work to support families in crisis, asylum seekers and refugees and the lonely and isolated elderly, continue.

The DBF has taken on the task of coordinating the Diocese's response to the Net Zero challenge, set by General Synod to reduce carbon emissions to net zero by 2030, by establishing a steering group to take the first steps. These include the calculation of the carbon footprint for the Diocese, promoting Green Journey to help PCCs improve their carbon footprint through completing energy audits and promoting the purchase of green energy and exploring potential opportunities for carbon reduction which parishes may want to pursue to support this diocesan wide effort. Despite a very challenging year for the DBF, the Diocese's six shared objectives have continued to shape our work throughout 2020.

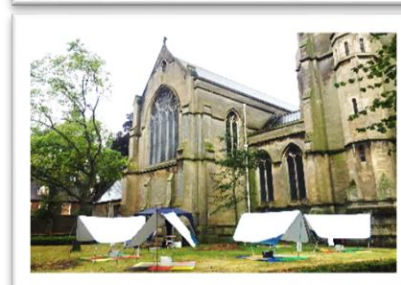
My Chair's report has touched on just a few of the projects and initiatives we are engaged in. The following pages will provide further examples of what we are doing in mission, Church Health, clergy care, the support and development of laity, reconciliation, education and learning and community transformation, the successes we have made as well as our plans for the future. None of this however would be possible without the dedicated work of not only our clergy and paid staff at the DBF, but also the many volunteers; committee members, Readers, Licensed Lay workers, Churchwardens and PCC members. I wish to take this opportunity to thank you all.

With my grateful thanks

Simon Danks

Chair of Coventry Diocesan Board of Finance

17 May 2021



COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

The trustees, who are also directors for the purposes of company law, present their combined Trustees' Report and Directors' Report, together with the audited financial statements, for the year ended 31 December 2020. The Trustees' and Directors' Report is presented in sections as follows:

Section 1: Strategic Report - which includes a review of achievements and performance in the year

Section 2: Governance Report

Section 3: Trustees' and Directors' Report Approval

SECTION 1: STRATEGIC REPORT

1.1 OBJECTIVES AND ACTIVITIES

Coventry Diocesan Board of Finance Limited ("the DBF") aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Coventry and elsewhere. The mission purpose of the Diocese of Coventry is "worshipping God, making new disciples and transforming communities." With an emphasis on reconciliation, Bishop Christopher has described the working out of this statement across the Diocese as seeing:

"The reconciling love of God in Jesus Christ manifested in Christian Communities that worship God, make new disciples and transform the communities around them."

To achieve this and associated church growth, the Diocese has already agreed a strategy which focuses on the development of the 8 Essential Qualities (8EQ's), identified by Natural Church Development (NCD) principles, across all aspects of church and diocesan life. NCD have identified that where all of the 8EQ's are strong in churches and worshipping communities, they will become healthier, flourish, and grow. The Diocese reaches out to all the people of Warwickshire and Coventry in its Mission Purpose through a number of bodies and organisations, not just churches. Whole Diocese is therefore an integrated strategy for the Diocese which, while recognising the individual distinctiveness of each member of the diocesan family, has identified a number of priorities which will form the focus for the allocation of diocesan resources including, people, money and prayer.

The Bishop's Council has endorsed the six Shared Objectives:

- Making the gospel known throughout the Diocese so people become followers of Christ.
- Strengthening the health of churches and organisations across the Diocese in the 8 Essential Qualities identified by NCD.
- Enabling the well-being, development and flourishing of clergy and lay people across the Diocese.
- Equipping the whole Diocese for the work of reconciliation.
- Promoting the life-long Christian learning and education across the Diocese.
- Delivering positive community transformation.

In its work towards these objectives the Bishop's Council continues to endorse two priority themes for particular emphasis; engaging with people with Black, Asian and Minority Ethnic heritage (BAME) and a focus on children's and young people's spirituality and discipleship.

To fund these activities, the DBF raises most of its income by advising its funding need to Deaneries ("the Deanery Share"), which Deaneries in turn allocate to parishes ("the Parish Share"). The DBF also receives some investment and other income. The DBF seeks to maintain sound finances in order to be able to support mission and ministry in the Diocese both in the short and in the long term.

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Going Concern

The Covid-19 pandemic has had a significant impact, on the DBF's operations in 2020 with the diocesan staff moving to predominantly home working. The activities of the SDF funding projects Acceler8 and Serving Christ have been curtailed, but great courage and creativity has been shown by diocesan staff in seeking new ways to support clergy and laity as they further the diocesan mission.

Income distributions from equity investment funds have been unaffected, as the CCLA investment fund managers acted to maintain the investment return objectives of the funds. The Glebe committee worked pro-actively with our property managers to ensure where possible income from this portfolio was maintained, however there has been a fall in income as some tenants were impacted by the pandemic and leases were renegotiated. The temporary closure of church buildings and halls has had the biggest impact on the DBF through the reduction in payments of parish share. The continuing impact of church buildings being closed has led to most churches encouraging giving electronically, however those parishes where congregational giving is mainly cash in the plate are continuing to be impacted in the third lockdown. The Resourcing the Vision mentor in the Serving Christ team has supported over 50 parishes to set up of methods of electronic giving, and providing suggestions on what to communicate to congregations at this difficult time. Parishes have used their reserves in the past twelve months and careful monitoring of their financial health is ongoing and support is being provided to those parishes where we know funds are limited or exhausted.

In light of the financial impact that Covid-19 may continue to have on the Charity, the Trustees have carried out further financial modelling, based on reduction in Parish Share and Glebe investment returns. The Trustees are able to utilise unapplied Total Return if necessary to cover any potential shortfall of investment income in order to meet clergy costs. Parish Share would need to be reduced by more than 50% to not cover the support costs. Unlisted investments (as per note 12 can be liquidated to meet any working capital cash flow requirements).

Having regard to the above, the Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Public benefit

The trustees are confident that by promoting the work of the Church of England in the Diocese of Coventry the DBF helps to promote the whole mission of the Church of England - pastoral, evangelistic, social and ecumenical - both in the Diocese as a whole and in its individual parishes, and that in doing so 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, to the benefit of individuals and society as a whole.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the DBF's aims and objectives and in planning future activities.

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1.2 PRINCIPAL RISKS

The DBF operates a comprehensive system of risk management, with a strategic risk register being reviewed three times a year by the leadership team and the Audit and Risk Committee. The trustees go through an annual process of horizon scanning to consider the strategic risks to the organisation, and following this the register is reviewed and updated to ensure there are no material omissions.

During the year the Audit and Risk Committee have considered the domino effect of risks, and the potential impact on the organisation of these risk. They have also looked at how risk velocity might be brought into the consideration of risk by the leadership team. At all times they have reflected on whether the risk approach is proportionate and whether the risk register closely links to the strategic objectives. The major risks identified by the DBF's trustees are;

The long-term sustainability of the organisation.

This risk reflects the potential impacts of parishes failing to pay their parish shares, of investment returns not being in line with the objectives of the Investment Policy and of failing to have an effective clergy deployment strategy, leading to the risk of not having the right ministers in the right places at the right times.

The approach to mitigating this risk has been on using deaneries to allocate Parish Shares so that local contexts and affordability can be taken into consideration. However, during the pandemic parish income has come under increasing pressure and the Bishops Council approved the release of a small proportion of historic unapplied total return to finance the Parish Share Relief to which parishes could apply for financial assistance. The award of relief followed a financial review of the Parish, has led to a renewed energy and focus in parishes to do more to promote generosity with those who would normally attend the church building and contribute via plate collections. Furthermore, it has been recognised by Diocesan Synod that the Parish Share system requires review and a working group, including clergy and laity from across the diocese, will bring the outcome of that review to Diocesan Synod in October 2021. As regards investment returns, the Investment Sub Committee (ISC) and the Glebe Committee meet regularly to review the performance of investment assets and ISC has carried out a review of the investment management agreement to ensure that organisational objectives that rely on investment funding can be achieved. To help ensure that clergy deployment meets the missional needs of the Diocese, the Archdeacons are working closely with Area Deans and deanery mission and pastoral committees to put deanery plans.

Political uncertainty and associated economic impacts

This risk reflects the effects of political decisions, notably those being driven by the pandemic and by Brexit, and their impacts that may lead to increasing levels of concern among parishes and DBF staff with consequential effects on morale and effectiveness.

To mitigate and monitor this risk, the Diocese has increased levels of communication with parishes' and diocesan staff. The Bishop of Coventry has led a planning group to focus on special needs arising from the pandemic, supported by working groups that focus on key areas of church life. Bishop Christopher has also sent video messages of encouragement and support to clergy and churchwardens throughout the pandemic to keep them updated on sources of financial help and support. In addition, the Bishop of Warwick and the Archdeacon Pastor have maintained regular contact with clergy. As regards DBF staff, the Diocesan Secretary has led regular communication with and by the leadership team to reassure and inform staff with a new weekly staff bulletin launched during the year.

Failing to deliver strategic objectives

Failing to deliver strategic objectives and outcomes, could significantly impact church health and growth, leading to a lengthy clergy appointments process and a higher number of clergy vacancies.

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To mitigate this risk, there has always been a structure of governance for the management of strategic objectives and the projects that support them, with personal objectives set and reviewed twice yearly for individual members of staff, plus regular team meetings and progress reports. At the onset of Covid-19 Bishop Christopher also set up groups from the Core Staff to ensure that the impacts of the pandemic on wellbeing, prayer, mission and finances were being considered on a weekly basis.

Contravening the Data Protection Act

Failing to comply with The Data Protection Act could potentially lead to the loss of confidential information and, or, the accidental sharing of personal data, with potentially serious impacts on those to whom the data belongs, as well as legal, reputational and financial consequences for the Church.

Since this Act came into force in 2018, the DBF has put measures in place to minimise and manage this risk through ensuring that it has strong data management processes in place, backed by ensuring that staff understand and comply with its requirements. The potential for this risk to increase as a result of staff working from home as a result of the pandemic was recognised and additional measures were taken to alert staff to this and to the need for additional care and vigilance while working from home to ensure compliance.

Absence of Trustees, key staff and advisers

Failing to recruit and retain high quality Trustees, key staff and specialist advisers has the potential to cause significant disruption to governance and service delivery and also result in the loss of valuable organisational knowledge.

To mitigate this risk the DBF has processes in place to regularly review committee membership and terms of reference, to maintain up-to-date job descriptions, to anticipate retirements and departures, where possible and to undertake recruitment campaigns and the appointment of professional external advisers. The potential impacts of this risk also increased as a result of the pandemic, especially on a short-term basis, and key DBF staff put in place cover arrangements, both in and across their teams. Cover for clergy has also been an area of increased focus, managed by the Archdeacon Pastor.

Safeguarding

The Diocese regards protecting the health, well-being and human rights of individuals, especially, children, young people and vulnerable adults, as an absolute priority, given the potentially serious impacts that failing to do so can have on individuals.

To minimise and manage this risk, the Diocese has a rigorous and widely disseminated safeguarding policy and management process, backed by a safeguarding training strategy. The safeguarding dashboard has been provided free of charge to all parishes to aid them in the management of their own safeguarding requirements. Additional support has been provided to Parish Safeguarding Officers during the pandemic, to support them with risk management for new missional and other activities arising as a result of changes to the way in which parishes have had to adapt to new ways of worshiping and operating.

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1.3 ACHIEVEMENTS AND PERFORMANCE

Making the Gospel known so that people become followers of Christ

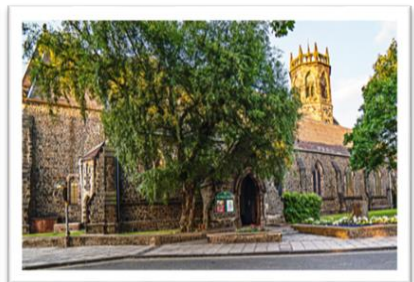
The Growth Strategy

During 2020 following consultation with parishes across the Diocese via online roadshow sessions, the Bishops Core staff presented to Bishop's Council and Diocesan Synod the plans that will form part of our reimagining of ministry renewal and resurrection, the Growth Strategy. These were approved and work to set up Resourcing Mission Hubs, City Church Plants and recruitment of clergy to vacant inner city parishes and laity to support the delivery of this strategy has commenced. Outcomes in relation to the delivery of this work are expected over the next five years, with an aspiration to grow 150 new worshipping communities. Existing parishes continued to play their part in this objective. The following two stories are examples of that happening in 2020.

St Mary's, Atherstone live streaming services with community reach

The team at St Mary's, Atherstone have been streaming their midweek and Sunday services on Facebook during the pandemic and achieved large number of views. Since the Covid-19 lockdown started in March, Reverend Michael Brandsma began to post words of encouragement on his own Facebook page, St Mary's, Atherstone's and the Atherstone community forum which has 14,000 members.

On Palm Sunday, Michael streamed his first service on Facebook to reach out to the congregation and community. Michael had never done anything like this before and whilst live streaming was daunting for him, the service went well. The church then streamed all of their Easter services and the viewing numbers kept growing.



After Easter, the church began to stream all of their various styles of regular worship on Facebook. These were led by Michael, the church's Reader, John Stock, along with various congregation members also participating. They live streamed to both St Mary's Facebook page and to the Atherstone and Hinterland Forum Facebook page, using two mobile phones. The services have been seen by thousands of people, with the mid-week viewings total an average of 1400 to 1600 views and Sunday viewing average approximately 1300 to as many as 2000 on two occasions. As an indication of reach, the Reader, John, walked into the chemist and a shopper unknown to him responded, 'I have just been watching you on Facebook!' In terms of next steps, the church aims to engage and interact with the viewers on a more personal basis. They are looking at various way to do this and hope that further creative connections will draw out viewers to respond to further ministry.

Adventure with God, at home online holiday club from Growing Faith

'Adventuring with God at Home' is an online holiday club created by the Growing Faith team. Due to the pandemic, the team realised that many churches would not be able to run their normal holiday clubs and that creating something virtual can be a huge amount of work. Therefore, the team created Adventuring with God at Home, for churches and families alike to connect together in the absence of a physical holiday

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club. The initiative ran over five sessions and included activities around a Biblical story, with a song and prayer. There was also suggested reflective questions and ideas to continue the adventure outdoors.

Children and families were encouraged to use their imagination and go on an adventure with God at home, such as to set sail on a cruise, hike to the mountains and enjoy a picnic in the park. There had been three Growing faith workshops during 2020, with 160 different people attending across them. The team also put on a Christmas workshop which had 60 people attending and 80 accessing the resource pack that came out of it including 30 people from different Dioceses and or denominations.



Increasing disciples in 20s - 30s age range within the churches of the Diocese

2020 was the final full year of the Acceler8 Project. Many of the events, groups, services and training weren't able to go ahead as planned. But despite this different pieces of work were lead and much learnt throughout the year as a whole team. As lockdown began the 20s-30s Development Leaders quickly took on some additional responsibilities within their churches and helped to move services, groups and activities online. The team used social media in new ways, took on some of the responsibility for communications across churches, began filming and editing weekly videos and supported the streaming, filming and broadcasting of online services. Moving services online has been a key feature of the year and young adults have been involved in various aspects of this including preaching, leading prayers and readings (including in Punjabi), leading sung worship and taking responsibility for the smooth running of the technical aspects of online church. In January and February in-person group activities were led, including leading a weekend away for students. This went well, was appreciated by those who attended and turned out to be well-timed for students who, shortly after this, mostly left campus and returned home for lockdown. Two sessions of The Collective were run, a missional café group delivered in collaboration with the Serving Christ Team. Regular 20s-30s Meet Ups in Coventry and Nuneaton, bringing young adults from different churches together for a social gathering were also held.

Throughout the year several 20s-30s Development Leaders moved on to different roles and it's been encouraging to see what they have moved on to do and how being part of Acceler8 has supported that in happening. Ian finished in his role in September as he began training for ordination and is now based at St Matthew & St Oswald's Rugby whilst he studies at St Mellitus College. Throughout the year Luke began to lead a new worshipping community where he lives as part of his role with the Warwick Team of Churches. Luke is now employed by the team to continue this work and extending the life of the church beyond the building. Jonny and Jen got married in February 2020 and together moved to Cornwall in the summer as Jonny began a new role as a Pioneer Minister in St Austell. The Acceler8 project has provided each of the Development Leaders with experience and the opportunity to lead in churches and it's encouraging to see these team members broadening their ministry beyond working with young adults. This has been an unexpected outcome of the project.

The team also provided in-person support when the national restrictions allowed. Small groups of 6 young adults were able to meet together during the summer months and one-on-one walks also took place. The young adults at St Paul's Foleshill, under the direction of Neil, helped to run some of the outreach projects at the church including the Food Share deliveries and running the Community Café on Saturday mornings. Becks was also able to provide practical, face to face, support to the young adults at Urban Hope in a number of different ways throughout the year. As the end of the Acceler8 project approaches reflecting on 2020 as our final full year thanks is given to God for His faithfulness through the changes and challenges of the year. Amongst our original project aims are 'to see an increased energy in the Diocese from 20s-30s and churches beginning to attract 20s-30s into their mission and ministry'.

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Strengthening the health of churches and organisations across the Diocese in the 8 Essential Qualities identified by Natural Church Development

This shared objective supports the aim for churches across the Diocese to grow in quality, with hope and expectation supported by NCD statistics that this will lead to numerical growth. During 2020 the long awaited appointment of the Ebbsfleet Healthy Churches Mentor, a role funded by the Strategic Development Fund, has happened. He has been active with a number of parishes across England as well as supporting parishes in Coventry Diocese. The following story outlines some of the work with St Oswald's, Tile Hill, and located 4 miles west of Coventry city centre.

Father Gary recently commented on their progress in 2020 "it is remarkable what can happen when a small church that is in an interregnum has committed lay leaders who use their gifts and resources to hold people together and serve their parish." Duane Harwood the churchwarden said that 2020 had not been an easy year as they had been without a vicar for over two years. He recalled a meeting he attended with the Bishop of Ebbsfleet and Archdeacon Barry Dugmore where they learnt that there was the possibility of having another priest funded by the SDF. He remarked that hope began to rise. With a spring in their step, members of the church re-connected with their community despite the setback of three key members of the PCC stepping down in the summer.

The remaining leaders applied to the ESF (European Social Fund) for funding and were granted £17,000 to re-launch their job club and fund the foodbank. They appointed a project co-ordinator to run the job club and several volunteers from the church were trained by the Citizens Advice Bureau to support him.

In October, the church began to live-stream their worship services and were heartened by the number of devices that 'watched'. The church opened their doors to St Andy's, a church plant from St Andrew's Eastern Green, which has a different tradition to St Oswald's. The two churches worked well together on serving the community and worshipped together from time-to-time. When asked to sum up the year and his hopes for the future Duane replied, *"In 2020 we became an outward-looking church that adapted to the restrictions placed upon us by Covid-19. A new priest has recently been appointed who will be joining us in 2021 so we have much to look forward to not least continuing to connect with our parish and ensuring that we provide opportunities both for those who want to worship in our buildings and those who want to continue worshipping online. The future is exciting and we will not be seeking to return to pre-pandemic times!"*

This church is one of many which have improved their health during the difficulties which 2020 presented, by the support of Father Gary and the congregation's dedication and willingness to serve Christ.



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Enabling the wellbeing and flourishing of clergy and lay people across the Diocese

During 2020 the Clergy Wellbeing Group has continued to meet, and take the temperature of clergy wellbeing as the pandemic has unfolded. The Archdeacons worked with Area Deans to ensure that clergy concerns were heard and responded to. Early on in the pandemic, funeral services had to be curtailed in length and reduced in numbers attending. In addition, clergy were unable to offer the level of support through visits that they would normally offer to families dealing with bereavement. As a result clergy felt it was inappropriate to be charging the full funeral fee and the Archdeacon Pastor escalated this through to the Diocesan Finance Group, who approved the waiving of the DBF portion of the fees. Support through phone calls from the Bishop of Warwick, and the two Archdeacons alongside video messages from the Bishop of Coventry has been ongoing through the whole of 2020, and has provided a source of encouragement and support to clergy. At the end of the year the first session of a resilience training course was attended virtually by 24 clergy and it has been fed back that clergy have implemented some of the practical suggestions contained in the course. 20 of those 24 have booked into the next session in 2021.

In 2021 there is an expectation that lockdown will ease, and the Clergy Wellbeing Group are looking at ways to support clergy with mental health, to ensure that it is recognised by all in our parishes that it is OK to be not OK. The Wellbeing group are mindful that levels of exhaustion are high and are seeking to be attentive to the wellbeing of clergy and lay leaders as they make decisions about how to open up activities and worship in their buildings whilst maintaining some online presence. In addition to the resilience training, Reflective Practice groups are being explored as another offer to clergy. Two groups have already met under the leadership of one of the hospital chaplains and the plan is to train more leaders so that an increasing number of clergy can benefit from these groups which enable them to reflect upon their experience in a structured way.

Plans are being made to restart the Ministry Development Review scheme. For those on Common Tenure this is compulsory but chaplains and those with freehold are being encouraged to engage with this opportunity to reflect with a colleague. Every two years there is a Clergy Wellbeing survey and that is planned for later in 2021.

Equipping the whole Diocese for the work of reconciliation

Good progress was made through the Cathedral in 2020 against the strategic objective to equip the whole Diocese for the work of reconciliation. It was able to deliver online reconciliation training, with a very successful virtual international pilgrimage (usually a physical event over 3 days) for the Community of the Cross of Nails in October, and have supported the wider reconciliation community with a healthy social media presence.

The Cathedral has continued to take forward the development of the Together for Hope multi faith community, and have also agreed a governance document for the international Community of the Cross of Nails – a significant piece of collaborative work, made much easier because of international Zoom meetings. Partnerships with other parts of the world have continued to develop – although a number of planned cross presentations to grow the CCN numbers had to be cancelled, the Cathedral still managed to visit and

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welcome three new partner churches and Cathedrals, in Bergen (Norway), Demmin (Germany) and Southwark Cathedral.

The Coventry Litany of reconciliation has been prayed daily at 12 noon throughout the pandemic, shared on Zoom, and both this and morning and evening worship from the Cathedral have been widely accessed digitally throughout and beyond the Diocese.

There are now multiple reconciliation offerings both locally and nationally, and the Cathedral seeks to find its own unique contribution, alongside working closely with partners. Going forward, developing the relationship with the newly appointed Reconciliation Enabler will be fundamental to working with the Diocese.

In terms of establishing the Cathedral as a resource for reconciliation, welcome and worship, the regular online offering throughout Covid has been widely accessed and much appreciated across the Diocese.

The team have enjoyed being able to offer a daily rhythm of prayer including the diocesan and other prayer cycles and had been able to offer diocesan services for ordinations within Covid restrictions.

During the last year, the main lessons learnt were to identify that the Cathedral has a real role in offering a central resource in online material, and other spirituality resources offered through St Clare's in particular, have been valued.



Promoting lifelong Christian learning and education across the Diocese

The Diocesan Board of Education fulfils much of this shared objective, however we should not forget the part our clergy and parishes play in the spiritual development of both young and old. The following are a couple of examples of how this shared objective has been delivered in 2020.

Connecting with Schools during the pandemic

Over the last few years, the team at St Martin's, Finham, have worked hard to make good links with the schools in the parish (neither of which are church schools). Such is the success of the work that the team are welcomed into both Finham and Stivichall Primary Schools to do monthly assemblies and regular lessons as part of their RE and other curriculum subjects.



From March school visits were not possible, due to the pandemic, however the team made sure to sustain the good relationships they built up by using technology. During the height of lockdown the team recorded monthly assemblies on Zoom from three different locations and disseminated the assemblies to children at home through the schools' remote learning tools. From September, the St Martin's team have continued providing recorded assemblies and introduced live lessons over Microsoft Teams. During the lessons they have

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shared films, songs and stories. The children are able to talk to them and give feedback and responses from their classrooms in real time.

The Revd Abby Rhodes comments;

"It has been such a blessing for us to be able to continue this contact using technology and we've received great feedback from the schools who have appreciated that we have kept up our normal support of their activities, in spite of the need to restrict visitors to the school. It has taken a lot of planning but is completely worth it as we see our relationships with the schools grow and the opportunity to share the love of Jesus further into our community."

Amazing GRACE

Amazing GRACE is a new pilot learning community for clergy and recognised lay leaders. This commenced in July, hosted by the Race Equality Resource group. It was overseen by Bishop John, being part of the wider strategic work to further Race Equality across the life of the Diocese.



This is a learning community looked at topics including, the problem of racism, the experiences of those who experience racism, the privilege of those who do not and the ways racism undermines the mission and ministry of the church. The aims of the learning community is to be a supportive yet challenging space where participants can reflect on racism through engagement with Scripture, resources and stories, then work together to identify ways that we can act for race equality in our different contexts.

The participants meet virtually once a month from July 2020-February 2021, with each member encouraged to take action - big or small - then evaluate its progress and share learning with the community.

Bishop John says:

"These are profoundly uncomfortable times. We are being disturbed and we need to be disturbed. The Holy Spirit is the Spirit of truth. The truth is often uncomfortable but it is ultimately our friend. Those of us who are white need to see what many of us have – unwittingly perhaps – resisted seeing. We need to see both the reality and the extent of racism. More uncomfortably than this, we need to see that it is not simply the problem of other people but that we too are part of the problem."

Diocesan Schools Christingle Service and the community art trail

On 11th December 2020, the Diocesan Board of Education held a virtual Schools Christingle Service which was streamed into classrooms across the Diocese. A number of schools contributed prayers, readings and songs and the children had spent time before the service making Christingles. The video had over 1,200 views, with the whole service being viewed 375 times. If each view is a class of children that is 9,000 children taking part. Looking forward to 2021, working with the Growing Faith team the Diocesan Board of Education has produced resources for a community, 'Walking the Way of the Cross' art trail with images for each station of the cross contributed by children to be installed in communities, schools and churches during Holy Week. Each station is linked by QR code to a website with readings, reflections and discussion questions.

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Delivering positive community transformation

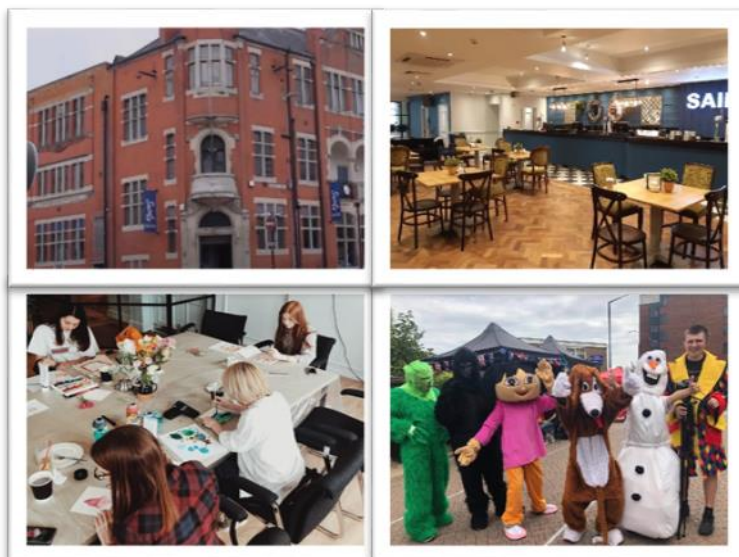
The Diocese, by working in partnership with Together for Change, works to transform the lives of the most disadvantaged throughout Coventry and Warwickshire. The following is one element of the work Together For Change has delivered during 2020.



Saints Nuneaton is a community regeneration project based in the heart of Nuneaton town centre, which works in collaboration with local churches and is led by the charity Together for Change. Saints, Nuneaton launched in January 2020 and has hosted a range of activities, supportive groups and community action projects from the multipurpose space, based at St George's Hall, a former nightclub. At the heart of the space is a café, a unique training room facility; a large children's play space, and permanent market stalls hosted by local small businesses.

It is a pioneering ten year project to help tackle unemployment and poverty in Nuneaton with the aim of raising the aspirations of local people and inspiring them into work. It is an ecumenical venture, with the project being run jointly between TFC and eight Nuneaton churches and Christian organisations of varying denominations, all with one common goal – to bring community transformation to the heart of Nuneaton.

Despite the Covid-19 pandemic, the project is thriving and sees around 500 people through their doors every week. The work focuses on three key vision points, 'Enterprise and Equip', 'Sport and Support', and 'Create and Connect'. There are currently five regular free groups in areas of arts & crafts and physical & mental wellbeing, with plans to expand into other areas such as computer skills, English and Maths tuition, homework clubs, cooking on a budget and more. Over the school summer holidays, Saints ran free weekly outdoor family events, with socially distanced activities for children, free food hampers and lots of family fun. Over the October half term holiday Saints partnered with the local council to provide free frozen meals for families who normally receive free school meals. The team were able to provide food hampers for 125 children and 77 adults, which were greatly appreciated.



Saints has accomplished a great deal in the 10 months it has been open and the team are excited about expanding the project. Renovations are underway on the upstairs of the building, with plans for a kitchen, toilet facilities, a meeting/training room and the restoration of the main hall. With this, they are looking to expand even further into the 'Sport and Support' and 'Create and Connect' vision by offering a variety of activities that encourage mental, physical and emotional wellbeing, as well as opportunities for expression and community connection through the creative arts.

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1.4 SUMMARY OF FINANCIAL PERFORMANCE

Following a year of uncertainty the underlying results for 2020 are of a small surplus which is masked by the larger than normal release of historic unapplied return. The fall in collections of parish share and DBF fees has been offset by an almost equal fall in expenditure. Teams across the DBF have established new ways of working through the pandemic and despite this most of the functions the DBF carries out for parishes has been delivered. The Statement of Financial Affairs shows a surplus in relation to all funds of £978,000 (2019:£208,000) which is as a direct result of the larger than normal release of historic unapplied return which includes a capital amount of £1,909,000 as well as the return from investments of £2,213,000 giving a total release of £4,122,000 (2019:£2,357,000).

Bishop's Council approved the release of the additional £1,909,000 of historic unapplied return, to provide up to £1,300,000 of parish share relief, over the next two years, a grant given waiving the payment of parish share. Additionally these funds are being used to create a new designated fund called the Cathedral "Endowment" fund. The third element being funded by the release of the additional historic unapplied return, is the new Growth Strategy.

The support costs of the DBF, excluding staff costs, have fallen as a result of the restrictions during the pandemic. Staff have worked from home, leading to a reduction in office and travel costs, and meetings of staff and DBF committees have been online. Costs of mission and ministry have increased, see note 5b, with an increase in the average number of clergy in the year to 109 (2019:106) alongside the increase in clergy stipends applied from 1 April 2020. The costs of maintaining clergy housing did fall as a result of Covid restrictions, but in spite of this the clergy housing team were able to ensure that all works in relation to health and safety matters were completed. The 2021 budget has been adjusted to take account of works that should have happened in 2020 now being completed in 2021.

The creation of the new Cathedral "Endowment" fund has increased the value of designated funds to £15,624,000 (2019:£12,046,000). Note 19 summarises these financial movements, which are broken down between transfers between properties, and movements between funds. The property transactions, include the sale of three DBF operational houses at Wolverton for £615k, Thurlaston in Rugby £492k, and Tile Hill Coventry £267k. In addition land at Wimpstone was sold for £75k. A new curate's house was purchased in Shipston for £332k. In addition funds for the Lambeth Conference £20k, and a top up of the Church Improvement Fund of £60k and the Church Fabric Fund £75k have come from the general reserves. The Growing Faith pilot had one Children's Missioner in the year and £9k of funds were released for this pilot project.

Restricted funds balances at the end of the year were £3,336,000 (2019:£3,086,000) Grant funding for the Serving Christ and Acceler8 projects continued to be received and new funding was received from the Church Commissioners to help with initial set up costs of the SDF City Church Plant project £16,000 funding a new Programme Manager post for one year.

The Endowment funds were valued at £73,318,000 at the end of the year, (2019:£72,249,000) Within this there were gains on revaluation of investment assets, £2,339,000, and an additional £288,000 surplus on sale of investments, and the actuarial movements on the Church of England Clergy Pension scheme of £5,000 (2019:£1,148,000). £2,213,000, (2019:£2,251,000) of investment income which forms part of the total return on the Diocesan Stipends Fund and was transferred into restricted funds during the year. Note 18 explains the full impact of total return on these accounts.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

Principal funding sources

49% of total income in 2020 came from Parish Share (2019: 52%), 23% from investment income (2019: 23%), 9% from Church Commissioners (2019: 6%), and 19% from other sources (2019: 19%). Other sources of income include parochial fees from weddings and funerals which was impacted by the pandemic; rental income from the letting of houses whilst not occupied by clergy; restricted income from The King Henry VIII Endowed Trust, used to meet costs in the Warwick area; surplus on the sale of Glebe assets and various other grants and donations.

Parish Share

Total parish share income received was £4.9m, which is £341,000 (6%) less than 2019 (2019: £29,000 increase). This includes amounts relating to parish share allocated for previous years but excluding amounts received after the 31 December cut-off date and was 91% of the allocation (2019: 97%). Deaneries are continuing to indicate that they struggle to meet Parish Share allocations. During the year support was provided to Parishes by the Resourcing the Vision Mentor, the National Giving Advisor and the Diocesan Finance team.

In response to the difficulties facing parishes Bishops Council approved the creation of the Parish Share relief scheme which waived the payment of parish share for parishes giving a total of £277,000 relief. The Diocese continued to promote the Parish Giving Scheme, a direct debit scheme which encourages individuals to regularly review their giving and provides an efficient way for parishes to receive Gift Aid on those gifts.

Investment Income

Investment income was £2,336,000 (2019: £2,357,000) and is derived from both equities and Glebe assets (See note 12). After allowing for Glebe management fees and other Glebe operating costs, net investment income was £2,150,000 (2019: £2,114,000). Net investment income from Glebe investment properties fell to £1,096,000 during the year due to renegotiation of commercial rents during the pandemic, a bad debt, and planned maintenance costs. (2019: £1,115,000). Other investment income, which includes interest and dividends, increased to £1,054,000 from £999,000 in 2019 as a result of increased holdings with CCLA who maintained their distribution levels at pre-pandemic levels.

Discrete year total return performance (gross) for investment funds in which the DBF is invested were as follows:

- CCLA's CBF Church of England Investment Fund: 10.2% (2019: 23.16%)
- CCLA's CBF Church of England Global Equity Income Fund: 22.69% (2019: 28.6%)
- CCLA's CBF Church of England UK Equity Fund: 0.81% (2019: 26.9%)
- The holding with Edentree was liquidated in November 2020.

Investment objectives and investments held

The DBF's investment objective with respect to amounts available for investment is to safeguard capital values in real terms over the long term and to provide real growth in net income, whilst complying with the Church of England Ethical Investment Policy.

Investments are principally held in Glebe properties and in investment funds, which are compliant with the Church of England Ethical Investment Policy. Glebe investment properties are comprised of agricultural, commercial and residential land and buildings. The investment funds are managed by CCLA Investment Management Limited and are diversified funds for charities, invested mainly in equities but also in fixed interest securities, property and other assets.

The total value of investments at 31 December 2020 was £71.5 million (2019: £68.9 million,) of which £67 million was permanent endowment. Gains realised on the sale of Glebe land have been reinvested in new Glebe land holdings during the year.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

Following the approval of a Total Return approach to investments on the Diocesan Stipends Fund, and then a further discussion at Bishop's Council, the trustees agreed that historic unapplied return of £1.9m plus the income investment returns that would ordinarily be recognised in the 2020 accounts if total return had not been adopted would be recognised as income in the 2020 accounts.

Stipendiary clergy headcount

The full time equivalent ("FTE") number of office holders in the Diocese who were stipendiary clergy or licensed lay workers in 2020 was 111 (2019: 108), which includes two Archdeacons. The increase relates to vacancies filled during the year. The average number of curates was 17 (2019:17).

House for Duty Clergy, Self-Supporting Ministry and volunteers

Whilst acknowledging that many of our self-supporting ministers are office holders and living in their own houses, there are office holders that the DBF provide with houses. In 2020 there were 8 (2019:8).

The activities in the Church of England across the Diocese of Coventry depend hugely on significant amounts of time contributed by retired clergy, self-supporting ministers, Readers and volunteers. The value of this time, to the Diocese as a whole and in particular to the DBF, cannot be quantified and recognised in the financial statements. The DBF is grateful to all those whose contribution is essential to the mission of the whole Diocese.

Pension schemes

All stipendiary clergy in the Diocese, some clergy employed in central diocesan posts and some licensed lay workers are members of the defined benefit Church of England clergy pension scheme. The contribution for this scheme in the year was £9,843 (2019: £9,640) per full time stipendiary clergy member. If not members of the clergy pension scheme, the DBF's permanent staff are members of the Pension Builder Classic section of the Church Workers Pension Fund. Further details are in note 2 to the Financial Statements. DBF staff who are employed on temporary or short-term contracts, who have qualifying earnings or the right to opt in, are enrolled in the National Employment Savings Trust ("NEST" - the workplace pension scheme set up by government).

Reserves policy and the General Fund position at the year end

The funds held by the DBF at 31 December 2020 comprise;

Endowment funds totalling £73,318,000. This amount includes expendable endowment of £6,218,000 relating to the Parsonages Housing Fund and permanent endowments of £67,100,000. The permanent endowment includes £66,685,000 relating to the Diocesan Stipends Fund of which £44,839,000 is unapplied total return. The Trustees can apply the unapplied total return to the Diocesan Stipends Fund Income Account, to use for the restricted purpose of payment of clergy stipends, houses and management and maintenance of Glebe property.

Restricted Funds totalling £3,336,000. To be spent in accordance with the donor's wishes.

Unrestricted funds of £17,220,000. Unrestricted funds includes £15,624,000 of designated funds, which substantially relate to operational properties and are therefore illiquid. Unrestricted funds less designated funds and tangible fixed assets for charitable use total £1,594,000.

The objective of the DBF's reserves policy is to ensure adequate working capital resources. During 2020 the policy was to ensure the General Fund was within a range equivalent to two and a half and three and a half months' worth of operating funds spend approved by Diocesan Synod for the ensuing year. This policy has been reviewed throughout 2020 and has been left unchanged.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

Diocesan Synod approved a maximum sum to be spent from operating funds in 2021 of £9,962,358. Since the approval of the budget, the urban Church Plants element of the Growth Strategy has been scaled down to 4 plants rather than 6, thus reducing the operating funds required in 2021. The balance on the General Fund at 31 December 2020 was £1,596,000 which represents 2 months' spend and is just below the bottom of the policy target range.

1.5 PLANS FOR THE FUTURE and FUTURE COMMITMENTS

The Coventry Diocesan mission strategy has been shaped by long-term investment in the development of healthy churches using the Natural Church Development programme (NCD). There is now a recognition that to see real numerical growth we must now widen our missional focus to develop an integrated strategy for church planting which includes new church communities (church plants) in areas of new housing, urban estates, and in other developed communities where mission potential exists. This activity will be supported by the development of six key churches serving as 'Resourcing Hub' churches in addition to on-going development of St Marks Resource Church launched in 2016. This will happen across various contexts; rural, urban, estates, and market towns, and encompass a breadth of church tradition, fresh expressions of church, missional communities and worship styles. In 2020 the Growth Strategy was approved by Bishop's Council and in 2021 work to identify and commission the Resourcing Hub churches has begun.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

SECTION 2: GOVERNANCE REPORT

2.1 COMPANY LEGAL STATUS

The DBF was incorporated on 12 October 1936 as a charitable company (No. 319482) limited by membership guarantees and its governing documents are the Memorandum and Articles of Association. The DBF is registered with the Charity Commission (No. 247828). The DBF has also been designated as the Parsonages Board for the Diocese of Coventry under the Repair of Benefice Buildings Measure 1972.

2.2 DIOCESAN SYNOD AND DBF MEMBERSHIP

The Diocese is governed in accordance with the Synodical Government Measure 1969, under which its governing body is the Diocesan Synod. Every Diocesan Synod member is a member of the DBF for company law purposes and has a personal liability limited to £1 under their guarantee as company members in the event of it being wound up.

The Diocesan Synod is made up of three Houses:-

House of Bishops: the Bishop of Coventry (President of the Diocesan Synod) and the Bishop of Warwick.

House of Clergy: 58 members, including the Chair of the House and seven ex-officio members (the Dean of the Cathedral, two Archdeacons, the Chair of the Diocesan Advisory Committee and the three diocesan clergy General Synod members). The remainder were elected by the houses of clergy of Deanery Synods.

House of Laity: 50 members, of whom six were ex officio (the Chancellor of the Diocese, the Chair of the Board of Finance, the Chair of Board of Education, the three diocesan lay General Synod members) and one was nominated by the Bishop of Coventry. The remainder were elected by the houses of laity of Deanery Synods. Elected and nominated members of the Diocesan Synod hold office for a term of three years. Elections for a new triennium will happen in 2021, with the new Diocesan Synod in place from 1st August. The Diocesan Synod normally meets three times a year and its functions are to:

- consider matters affecting the Church of England in the Diocese;
- act as a forum for debate of Christian opinion on matters of religious or public interest;
- advise the Bishop where requested;
- deal with matters referred by General Synod;
- consider the annual accounts of the DBF;
- consider and approve the DBF's annual budget

Diocesan Synod governs itself through Standing Orders, which were approved by Diocesan Synod on 19 July 2000, and amended on 14 March 2009. Through the Standing Orders, many of Diocesan Synod's responsibilities have been delegated to its Standing Committee, the Bishop's Council.

2.1 BISHOP'S COUNCIL AND THE TRUSTEES AND DIRECTORS OF THE DBF

The Bishop's Council is the senior committee of the Diocese. Under the Standing Orders of the Diocesan Synod its members have a number of concurrent roles. They are the members of the Standing Committee of Diocesan Synod, the trustees of the Charity for the purposes of charity law, the directors of the DBF for the purposes of company law, and the members of the Diocesan Mission and Pastoral Committee.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

As the Standing Committee of the Diocesan Synod, the Bishop's Council:

- plans the business of the Synod and circulates the agenda and supporting papers for its sessions;
- initiates proposals for action by the Synod and advises it on matters of policy;
- advises the President (the Diocesan Bishop) on any matter;
- transacts the business of the Synod when not in session;
- appoints members of committees and nominates individuals for election to committees;
- carries out such functions as the Synod may delegate to it.

As the Diocesan Mission and Pastoral Committee and in consultation with the eleven Deanery Mission and Pastoral Committees, the Bishop's Council:

- advises the Bishop of Coventry on the deployment of clergy within the Diocese;
- considers and authorises pastoral schemes.

As the trustees and directors of the DBF, the Bishop's Council:

- takes responsibility for the activities of the DBF, including financial accountability as set out below;
- manages funds and property held centrally in the Diocese;
- prepares an annual budget for consideration and approval by Diocesan Synod, with estimates of expenditure and the income needed to finance that expenditure;
- monitors income and expenditure against estimates in the budget approved by Diocesan Synod;
- advises the Diocesan Synod on financial aspects of its policies and on any other matters referred to it.

Financial accountability responsibilities of Bishop's Council members as trustees and directors

The trustees of the DBF, who are also the directors of the DBF for the purposes of company law, are responsible for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

Membership of the Bishop's Council

The membership of the Bishop's Council is comprised of a maximum of 32 members as follows:

- 8 ex officio members;
- 15 members elected by the Diocesan Synod (seven clergy and eight lay, in both cases with a minimum of two from each archdeaconry);
- up to 6 nominated members (three may be nominated by the Bishop of Coventry and one may be nominated by each of the Diocesan Advisory Committee, the Parsonages Committee and the Diocesan Board of Education);
- up to 3 members co-opted by the Bishop's Council.

The Chair of the DBF, one of the ex officio members of Bishop's Council, is nominated by the Bishop of Coventry and appointed by Diocesan Synod. During 2020, the Bishop's Council met five times as Bishop's Council and board of trustees and directors. The term of office of the members of Bishop's Council (excluding ex officio members) lasts for three years. Their term will end in 2021, upon the election of the new Diocesan Synod. During the year and as at the date of this report the members of Bishop's Council were as follows:

EX-OFFICIO

President	The Rt Revd Dr Christopher Cocksworth
Bishop of Warwick	The Rt Revd John Stroyan
Archdeacon Pastor	The Ven Sue Field
Archdeacon Missioner	The Ven Barry Dugmore
Dean of Coventry	The Very Revd John Witcombe
Chair of the House of Clergy	The Revd Charlotte Gale – <i>to September 2020</i>
Chair of the House of Laity	Mrs Helen Simmonds
Chair of the DBF	Mr Simon Danks – <i>from June 2020 (Interim Chair Mr Peter Rogers)</i>

NOMINATED MEMBERS

Chair of DAC	The Revd Canon Richard Williams
Chair of DBE	The Revd Elaine Scrivens, <i>retired</i> . Mr Chris Edwards

BISHOP'S NOMINEE

The Revd Clive Hogger
The Revd Kate Massey
The Revd Canon Dr Jill Tucker

ELECTED CLERGY

The Revd Graeme Anderson
The Revd Stella Bailey
The Revd Dwayne Engh
The Revd Alison Evans – *from September 2020*
The Revd Kay Dyer – *from September 2020*
The Revd Claire McArthur – *Chair of the House of Clergy from September 2020*
The Revd Richard Mutter – *resigned August 2020*
The Revd Celia Parkes – *retired August 2020*
The Revd Canon Dr David Stone

ELECTED LAITY

Mrs Karen Armbrister	Mr Chris Baker
Mr John Franks	Mrs Jo King
Mr Tim Pollard	Mr Peter Rogers
Mr David Spiers	Dr Yvonne Warren

CO-OPTED MEMBERS

Mrs Joyce Amos	Mr James Styan Kendall
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COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

2.4 COMMITTEE STRUCTURE

There are a number of Diocesan committees which advise the DBF. They are:

- the Audit and Risk Committee, which considers the appointment of the auditor, the audit fee, the nature and scope of the audit, reviews the annual financial statements prior to submission to Bishop's Council and keeps under review the systems of internal control and risk management;
- the Business Committee, which considers the content of the agendas for Bishop's Council and the Diocesan Synod;
- the Conditions of Employment Group, which deals with the terms and conditions of employment, including remuneration, of staff employed by the DBF and annual increases to clergy stipends in line with increases in the cost of living, except the Diocesan Secretary (whose terms and conditions of employment, including remuneration, are reviewed by the Chair of the DBF and the Diocesan Bishop);
- the Diocesan Advisory Committee for the Care of Churches ("the DAC"), which advises on the repair and improvement of places of worship, their contents and churchyards, with a view to the furtherance of the Church's mission and the protection of the nation's heritage;
- the Diocesan Environment Group, which encourages the Diocese in its vocation to care for the earth;
- the Diocesan Finance Group, which monitors the finances of the DBF and advises Bishop's Council on financial matters, in particular the application of the Deanery Share system and matters relating to the Church Fabric Fund;
- the Diocesan Mission Fund Committee, which considers matters relating to the Diocesan Mission Fund and Church Improvement Grants, makes recommendations to Bishop's Council and makes decisions on grants of less than £10,000;
- the Glebe Committee, which oversees the management of Diocesan Glebe investments, under the powers laid down in a scheme under the Endowments and Glebe Measure 1976;
- the Investment Sub-Committee, which oversees investment strategy and policy;
- the Parsonages Committee, which considers policy, repairs and improvements in relation to parsonage houses, under powers laid down in a scheme under the Repair of Benefice Buildings Measure 1972.

2.5 DIOCESAN SECRETARY AND STAFF

The Diocesan Secretary, Mrs Ruth Marlow, serves as the Secretary to Diocesan Synod and Bishop's Council and as Chief Executive Officer and Company Secretary of the DBF. The Diocesan Secretary and her staff carry out the day-to-day work of the DBF. They consult regularly with the Chair of the DBF and the various diocesan committees. Whilst senior staff have job titles incorporating the word 'Director' they are not directors of the company for the purposes of company law or trustees of the charity for the purposes of charity law. For information relating to staff headcount and costs, see note 10 to the financial statements. In 2020 there were staff working in the areas of IT systems and property that are employed under joint working arrangements by the Leicester Diocesan Board of Finance (company registered number 227087; registered charity number 249100). These arrangements are regularly reviewed and continue to be an effective method generating economies of scale without detriment to the service provided.

2.6 RELATED PARTIES

Coventry Diocesan Trustees (Registered)

The Coventry Diocesan Trustees (Registered), registered charity number 249165, is the Diocesan Authority under the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964. The Trust is the custodian trustee holding property and funds on behalf of PCCs and the DBF.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

Coventry Diocesan Board of Education

Coventry Diocesan Board of Education ("the DBE" – a company registered in England and Wales no. 3663851 and a registered charity no. 1091145) is a statutory body established under the Diocesan Boards of Education Measure 1991, responsible to Diocesan Synod. Its functions under this measure principally relate to the promotion or assistance in the promotion of education in the Diocese, which is consistent with the faith and practice of the Church of England and therefore consistent with the objectives of the DBF.

2.7 OTHER GOVERNANCE MATTERS

Risk management

The trustees confirm that the risks to which the DBF is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures to manage those and other identified risks have been established and reviewed. The trustees review the risk register at least annually and delegate to the DBF leadership team day to day management of the risks the DBF is exposed to. In addition, the Audit & Risk Committee reviews the risk management processes and the risk register at least annually, and reports to the trustees on whether it is satisfied with its findings. This year the register has been reviewed at each Audit & Risk Committee meeting. Recommendations are made as a result of those findings.

The principal risks identified are shown in Section 1.2 of this report.

Valuation of properties in the financial statements

Investment properties are stated in the balance sheet at fair value. All non-investment properties - parsonage houses, operational properties, houses for clergy held in Glebe and the diocesan offices – are freehold properties and are stated in the balance sheet at cost. In the opinion of the trustees the fair value of these non-investment properties is substantially in excess of cost, but the amount of this excess is not economically quantifiable.

Auditor

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees and directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

A resolution to reappoint Crowe LLP as auditor to the company and to authorise the Board of Directors to fix the auditor's remuneration will be proposed at the Annual General Meeting.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES' AND DIRECTORS' REPORT

for the year ended 31 December 2020

2.8 REFERENCE AND ADMINISTRATIVE DETAILS

<i>Registered & Principal Office</i>	Diocesan Offices, 1 Hill Top, Coventry, CV1 5AB
<i>Telephone</i>	024 7652 1200
<i>Website</i>	www.Diocesefcoventry.org
<i>Company registration number</i>	319482 (England and Wales)
<i>Charity registration number</i>	247828 (England)
<i>Company Secretary</i>	Mrs Ruth Marlow
<i>Registrar and solicitors</i>	Mrs Mary Allanson, Rotherham & Co 8 & 9 The Quadrant, Coventry, CV1 2EG
<i>Auditor</i>	Crowe UK LLP Black Country House, Rounds Green Road, Oldbury, B69 2DG
<i>Bankers</i>	Bank of Scotland Pentland House, 8 Lochside Avenue, Edinburgh, EH12 9DJ
<i>Diocesan Surveyors</i>	YMD Boon Ltd York House, Fernie Road, Market Harborough, LE16 7PH
<i>Glebe Agent</i>	Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Insurers</i>	Ecclesiastical Insurance Office plc Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
<i>Investment Managers</i>	CCLA Investment Management Ltd Senator House, 85 Queen Victoria Street, London, EC4V 4ET Ecclesiastical Investment Management Ltd Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

SECTION 3: DIRECTORS' AND TRUSTEES' REPORT APPROVAL

This Trustees' and Directors' Report, including both the Strategic Report and the Governance Report, is approved by the trustees, by whose authority it is signed as below.



Mr Simon Danks

Chair of Coventry Diocesan Board of Finance Limited

18 May 2021

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

Opinion

We have audited the financial statements of Coventry 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 Statement of Cash flows 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 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 trustee's 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

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 light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper accounting records have not been kept; or
- the 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 set out on page 22, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

AUDITOR'S REPORT

Independent auditor's report to members of Coventry Diocesan Board of Finance Ltd.

amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context for the UK operations were employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Kerry Brown | Senior Statutory Auditor



For and on behalf of **Crowe U.K. LLP**

Statutory Auditor

Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG

Date: 1 June 2021

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

	Notes	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s	2019 Total £000s
Income and endowments from:							
Donations							
Parish Share	4a	4,639	-	349	-	4,988	5,329
Church Commissioners	4b	63	-	800	-	863	607
Other grants and donations	4c	236	-	244	-	480	843
Charges for charitable activities	4d	218	-	-	-	218	364
Other trading activities	4e	626	-	-	-	626	637
Investments							
Investments income	4f	65	5	53	2,213	2,336	2,357
Total return allocated to income	18	-	-	2,213	(2,213)	-	-
Release of historic return	18	-	-	1,909	(1,909)	-	-
Surplus on sale of assets		-	640	-	-	640	104
Total		5,847	645	5,568	(1,909)	10,151	10,241
Expenditure on:							
Raising funds	5a	239	-	186	-	425	512
Charitable activities							
Mission and ministry	5b	1,170	-	4,185	-	5,355	5,278
Support for mission and ministry	5c	2,212	118	354	-	2,683	3,463
Contributions to Archbishops' Council	5d	517	-	-	-	517	541
Diocesan Board of Education	5e	188	-	-	-	188	197
Other	5f	-	-	-	6	6	42
Total		4,325	118	4,725	6	9,173	10,033
Net income before investment gains		1,522	527	843	(1,915)	978	208
Net gains on investments:							
Net gains on revaluation	12	138	7	79	2,339	2,563	5,466
Surplus on sale of investments		-	-	-	288	288	49
Net income		1,660	534	922	712	3,829	5,723
Transfers between funds	19	(2,692)	3,044	(671)	320	-	-
Other recognised gains:							
Gains on revaluation of fixed assets		-	-	-	-	-	8
Actuarial gains on defined benefit pension scheme	2	-	-	-	5	5	1,148
Net movement in funds		(1,032)	3,578	250	1,037	3,834	6,879
Reconciliation of funds							
Funds at 1 January	0	2,660	12,046	3,086	72,249	90,041	83,162
Net movement in funds		(1,032)	3,578	250	1,037	3,833	6,879
Funds at 31 December	0	1,628	15,624	3,336	73,286	93,874	90,041

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2020

	2020 Total £000s	2019 Total £000s
Total income	10,151	10,241
Total expenditure	9,167	9,991
	984	250
Net gains on investments	224	335
Net income for the year before transfers	1,208	585
Transfer to endowment funds	(320)	(266)
Net income for the year after transfers	888	319

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.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	2020 £000s	2019 £000s
Cash flows from operating activities:		
Net cash generated by operating activities	(1,379)	106
Cash flows from investing activities:		
Proceeds from sale of fixed asset properties	810	786
Purchase of fixed assets	(332)	(1,445)
Proceeds from sale of investments	1,269	156
Purchase of investments	(951)	(2,246)
Net cash used by investing activities	796	(2,749)
Change in cash and cash equivalents in the year	1,335	(2,643)
Cash and cash equivalents at 1 January	1,946	4,589
Cash and cash equivalents at 31 December	3,281	1,946

	2020 £000s	2019 £000s
Analysis of cash and cash equivalents at 31 December		
Cash in hand	700	592
Short term deposits (less than 3 months)	2,581	1,354
Total cash and cash equivalents	3,281	1,946

Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £000s	2019 £000s
Net movement in funds for the year	3,833	6,879
Adjustments for:		
Gains on investments	(3,833)	(5,515)
Profit on sale of fixed asset properties	(640)	(104)
Net gains on revaluation	2	2
Loss on revaluation of fixed assets	-	(8)
Actuarial losses on defined benefit pension scheme	5	(1,148)
Unwinding of pension liability discount	(6)	42
Payment of pension deficit contributions	(336)	(316)
(Increase)/Decrease in debtors	53	370
Decrease in creditors	(457)	(96)
Net cash generated by operating activities	(1,379)	106

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

BALANCE SHEET

for the year ended 31 December 2020

	Notes	2020 £000s	2019 £000s
FIXED ASSETS			
Tangible fixed assets	11	18,290	18,770
Fixed asset investments	12	<u>71,503</u>	<u>68,937</u>
		89,793	87,707
CURRENT ASSETS			
Debtors	13	2,354	2,407
Cash and cash equivalents		<u>3,281</u>	<u>1,946</u>
		5,635	4,353
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	14	<u>(1,376)</u>	<u>(1,478)</u>
NET CURRENT ASSETS		4,259	2,875
TOTAL ASSETS LESS CURRENT LIABILITIES		94,052	90,582
Creditors: amounts falling due after more than one year	15	(178)	(541)
NET ASSETS	20	<u>93,874</u>	<u>90,041</u>
FUNDS			
Unrestricted funds:			
General Fund	16	1,628	2,660
Designated funds	16	<u>15,624</u>	<u>12,046</u>
		17,252	14,706
Restricted funds	16	3,336	3,086
Endowment funds	16	<u>73,286</u>	<u>72,249</u>
TOTAL FUNDS		<u>93,874</u>	<u>90,041</u>

The financial statements on pages 30 to 52 were approved by the Board of Directors and authorised for issue on 18 May 2021 and are signed on its behalf by:



Mr Simon Danks

Chair of Coventry Diocesan Board of Finance Limited

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

1 Principal accounting policies

Basis of accounting

The DBF is a charitable company and a public benefit entity. Therefore, the financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (FRS 102), the Companies Act 2006 and the applicable UK accounting standard (FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland). The financial statements have been prepared under the historical cost convention except that fixed asset investments are included at fair value at the balance sheet date. After making enquiries the trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Income

Income is included in the Statement of Financial Activities when the charity is legally entitled to it, receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

Parish share income

Parish share income for the year, or for previous years, include amounts received up to the 31 January following the year end.

Income from parochial fees

Income from parochial fees is accounted for when received.

Grants (receivable)

Grant income is accounted for when the formal offer of funding is communicated in writing, any conditions related to the entitlement have been met, receipt is probable and the amount can be measured reliably.

Donations, legacies and similar income

Income from legacies is recognised when the DBF has been notified that there is a clear indication of the amount receivable. Donations and similar income are accounted for when received.

Investment income

Investment income is accounted for when receivable. Investment income from Common Investment Funds managed by CCLA Investment Managers Ltd is considered receivable when dividends are declared.

Deferred income

Income is recognised as deferred where the event or rental period to which the income relates occurs beyond the end of the financial period being reported on.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate similar costs under each category of the Statement of Financial Activities.

Grants (payable)

Grants payable, are accounted for either in full or in part, when authorised, when the award of the grant has been specifically communicated to the recipient or when paid if there is no communication to the recipient in advance, and when any condition attaching to the grant is outside the control of the DBF.

Support costs

These costs consist of indirect staff costs, office and IT costs and governance costs. They are allocated to categories of expenditure on the basis of the proportion of staff time spent on each area of activity.

Governance costs

The costs allocated to governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Operating leases

Payments under operating leases are charged against income as incurred.

Investment gains and losses

A total return approach has been adopted for the Diocesan Stipends Fund Capital Account. Part of the historic unapplied total return will be allocated to income in the year as determined by the Bishop's Council.

Other investment realised gains or losses are recognised in the Statement of Financial Activities when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at the year end.

Tangible fixed assets

Parsonage houses, operational properties and the diocesan offices

Parsonage houses, operational properties and the diocesan offices are held at cost or estimated cost. The cost of extensions which enhance the capital value of buildings is capitalised.

For parsonage houses, the legal title and right to beneficial occupation are vested in the incumbent, whereas the DBF is responsible for the maintenance and repair of such properties and can determine their subsequent use or sale. FRS 102 requires accounting treatments to follow the substance of arrangements rather than their strict legal form. Accordingly, parsonage houses are capitalised as tangible fixed assets.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

Operational properties are houses owned by the DBF for occupation by stipendiary clergy and House for Duty priests.

The Diocesan Offices are at 7 Priory Row, Coventry (which shares the postal address of 1 Hill Top, Coventry, CV1 5AB).

Glebe houses

Glebe houses are for occupation by clergy and are therefore classified as tangible fixed assets. Glebe houses are those which have been purchased or appropriated from other funds using the Capital Account of the Diocesan Stipends Fund.

Depreciation

Depreciation is not provided on land and buildings as any annual or accumulated depreciation would not be material. This is due to the long estimated remaining useful economic lives and because the estimated residual values are not materially less than their carrying values and the buildings are unlikely to suffer from obsolescence. Disposals of buildings occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying values. The DBF has a policy of regular inspection, repair and maintenance of buildings, charges for which are included in expenditure in the Statement of Financial Activities.

Depreciation of non-property fixed assets is charged at rates estimated to write off their cost less any residual value evenly over the expected useful lives that are as follows:

IT & Telecommunications Equipment	3 years
Office Furniture and Fittings	5 years

Individual items of office equipment and furniture with a purchase price of £5,000 or less are written off in the year in which the assets are acquired.

Financial instruments

Fixed asset investments

Land and buildings held under the Endowments and Glebe Measure 1976 ("Glebe properties") are included at fair value. Glebe properties which are fixed asset investments are comprised of commercial properties and agricultural properties. Agricultural properties are predominantly land but include some agricultural buildings and residential properties. Glebe properties also include houses for occupation by clergy that are treated as tangible fixed assets.

Unlisted shares in investment funds are included at fair value at the balance sheet date.

Current assets and liabilities

Debtors are measured at the transaction price less any impairment losses. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources. Creditors are measured at the transaction price less any amounts settled. For pension liabilities, see note 2.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with any qualifying institution repayable on demand without more than seven days' notice or penalty.

Fund accounting

The General Fund is an unrestricted income fund which receives income available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted income funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes below.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes below.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

Fund accounting (continued)

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

2 Pension schemes' accounting policy and significant estimates and judgments

The DBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other two are for lay staff and are separate sections of the Church Workers Pension Fund – one a final salary scheme and the other a deferred annuity scheme. All three of these schemes are multi-employer defined benefit pension schemes for which the DBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. A valuation of each scheme, to determine future contribution levels, is carried out once every three years and the resulting report and recovery plan for any deficit is required to be completed within fifteen months of the valuation date. On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that formerly contracted-out schemes are required to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. In November 2020, the High Court handed down a further ruling concerning the equalisation of GMPs. This ruling requires Trustees to equalise transfer payments paid from schemes. This exercise will require a check on previous transfers paid and if appropriate pay a top-up transfer payment to the receiving scheme if the GMP element is deemed to be unequal.

Normally the Employer is required to reflect both the backdated and future costs of GMP equalisation arising from this judgment. However, since the DBF participate and are accounting as multi-employer defined benefit pension schemes this is not applicable. Any uplift in liability will be reflected in the financial statements once revised deficit recovery payment plans are issued.

Accounting policy

Where the scheme is in deficit and the DBF is required to make deficit recovery contributions, this obligation is recognised as a liability within creditors in the Balance Sheet. The amount recognised is the sum of the deficit recovery contributions payable, discounted to the net present value. The unwinding of the discount in each year, together with contributions required by the Pensions Board for the benefit in relation to pensionable service in the year, is recognised within expenditure in the Statement of Financial Activities. Changes in the pension liability due to changes in the discount rate used and due to inaccuracies and changes in the actuarial assumptions made by the Pensions Board are recognised as actuarial gains or losses in the Statement of Financial Activities. The liability and movements in the liability are allocated to the Diocesan Stipends Fund Capital Account, an endowment fund held for investment return for the benefit of the Diocesan Stipends Fund Income Account which is expected to be sufficient to cover the DBF's future deficit recovery contributions. Deficit recovery contributions actually paid in the year are transferred from the Diocesan Stipends Fund Income Account to the Diocesan Stipends Fund Capital Account.

The defined Benefits Scheme ("DBS") section of the church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2018, the DBF had no active members, and plans not to admit any further Coventry DBF staff to membership of this section of the scheme. Also, three joint workers employed by Leicester Diocesan Board of Finance ("Leicester DBF") were active members of this section of the Church Workers Pension Fund.

The most recent scheme valuation completed was carried out as at 31 December 2016. The DBF paid in full its share of the deficit of £54,100, which was based on no active members, one deferred member and its share of the liability for retirement and death benefits. The Leicester DBF contribution rate (affecting the cost of joint workers in this section of the Church Workers Pension Fund), effective from 1 April 2015 was 22% of salary and is 30.8% of salary from 1 April 2018. A liability of £62,000 (2019:£62,000) has been accrued within Other Accruals for the DBF share of the deficit relating to joint workers in the scheme.

Church Workers Pension Fund - Pension Builder Classic Scheme

The Pension Builder Classic Scheme section of the Church Workers Pension Fund builds an annuity for members for payment from retirement, accumulated from contributions paid and converted into an annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors. There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The expectation is that any future shortfall or surplus in the scheme will result in a curtailment or increase in bonuses declared. At 31 December 2020, the DBF had 47 (2019:48) active members in the scheme.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

2 Pension schemes' accounting policy and significant estimates and judgments (continued)

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016 at which date the market valuation of the assets was £118.4m and there were 6,170 members, comprised of 2,244 active members, 2,024 deferred members and 1,902 pensioner and dependant members. The 2016 valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time. A new valuation as at 31 December 2019 is now underway.

Church of England Funded Pension Scheme (CEFPS)

With effect from 1 January 1998, diocesan clergy became members of the new Church of England Funded Pensions Scheme. To enable A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for future improvements in mortality in line with the CMI 2018 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 contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to	January 2021 to
Deficit repair contributions	11.9%	7.1%

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

Church of England Funded Pensions Scheme pension liability movements:	2020	2019
	£000s	£000s
Pension liability at 1 January	732	2,154
Deficit contributions paid	(336)	(316)
Interest cost	6	42
Remaining change to the balance sheet liability*	(5)	(1,148)
Balance sheet liability at 31 December	397	732
Due within one year	339	347
Due after more than one year	-	385

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

	2020	2019	2018
Assumptions used by the Pensions Board to calculate the pension liability:			
Discount rate	0.2% p.a	1.1% p.a.	2.1% p.a.
Price inflation	3.1% p.a	2.8% p.a.	3.1% p.a.
Increase to total pensionable payroll	1.6% p.a	1.3% p.a.	1.6% p.a.

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

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

2 Pension schemes' accounting policy and significant estimates and judgments (continued)

Valuation of Glebe Assets

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Market activity is being impacted in many sectors. At the date of valuation of the Glebe assets, Godfrey Payton considered that they could attach less weight to previous market evidence for comparison purposes, and that there are unprecedented circumstances on which to base a judgement. The valuation is therefore reported on the basis of "material valuation uncertainty" as per VPS3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty, and a higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID19 might have on the real estate market, it is recommended that the valuation of these assets is kept under frequent review.

3 Net income	2020 £000s	2019 £000s
Net income is stated after charging/(crediting):		
Auditor's remuneration for the audit	18	15
Depreciation	2	2
Hire of office equipment	4	4
Surplus on disposal of tangible fixed assets	(640)	(104)

4 Analysis of income

a Parish Share

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s	2019 Total £000s
Parish Share assessed for the year	5,098	-	349	-	5,447	5,463
Less shortfall in contributions	(515)	-	-	-	(515)	(161)
Received for the year	4,583	-	349	-	4,932	5,302
Arrears received in respect of previous years	56	-	-	-	56	27
	4,639	-	349	-	4,988	5,329

Within the shortfall in contributions £277k was funded by the release of historic assets, known as the Parish Share relief scheme.

b Grants from Church Commissioners and Archbishops' Council

This reflects monies from Church Commissioners and Archbishops' Council which are used in the following activities:

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s	2019 Total £000s
Capacity Funding	-	-	231	-	231	-
Ministry Division funding of Curates	22	-	-	-	22	-
Lowest Income Communities grant	-	-	385	-	385	429
Ordination Training Grant (see note 17)	-	-	184	-	184	140
Contribution to Bishop's Legal costs	41	-	-	-	41	38
	63	-	800	-	863	607

c Other grants and donations

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s	2019 Total £000s
Offa House sale proceeds	-	-	-	-	-	363
King Henry VIII Endowed Trust	-	-	224	-	224	234
Allchurches' Trust	105	-	-	-	105	98
New church building	-	-	-	-	-	59
Other similar income	131	-	20	-	151	89
	236	-	244	-	480	843

Other includes £88k Ordinands pooling adjustments and £22k HMRC furlough grant.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

4 Analysis of income (continued)

d Charges for charitable activities

	General	Designated	Restricted	Endowment	2020	2019
	Fund	funds	funds	funds	Total	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Parochial fees	217	-	-	-	217	355
Churches closed for public worship	-	-	-	-	-	8
Contributions to expenditure	1	-	-	-	1	1
	218	-	-	-	218	364

Bishops Council agreed to waive the fees for funerals for part of the year.

e Other trading activities

	General	Designated	Restricted	Endowment	2020	2019
	Fund	funds	funds	funds	Total	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Rental income from non-investment properties	385	-	-	-	385	375
Recharged payroll costs	166	-	-	-	166	139
Training	1	-	-	-	1	64
Sundry income	74	-	-	-	74	59
	626	-	-	-	626	637

Recharged payroll costs relate to joint workers between Coventry Cathedral and the Diocesan Board of Finance, and to employees working as Bishops' staff paid by Church Commissioners. With no chargeable face to face training events in the year, there was a reduction in training income.

f Investments

	General	Designated	Restricted	Endowment	2020	2019
	Fund	funds	funds	funds	Total	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Glebe property income	-	-	-	1,282	1,282	1,358
Unlisted securities	61	3	31	931	1,026	970
Bank and deposit interest	4	2	1	-	7	23
Other property income	-	-	21	-	21	6
	65	5	53	2,213	2,336	2,357

5 Analysis of expenditure

a Raising funds

	General	Designated	Restricted	Endowment	2020	2019
	Fund	funds	funds	funds	Total	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Glebe operating costs	-	-	124	-	124	179
Glebe management fees	-	-	62	-	62	64
Parsonage rental costs	47	-	-	-	47	52
Support costs	192	-	-	-	192	217
	239	-	186	-	425	512

b Mission and ministry

	General	Designated	Restricted	Endowment	2020	2019
	fund	funds	funds	funds	Total	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Clergy stipends costs (see note 9)	-	-	3,303	-	3,303	3,161
Curates' stipends costs (see note 9)	-	-	702	-	702	613
Clergy housing	684	-	180	-	864	964
Clergy appointment and retirement costs	96	-	-	-	96	85
Staff costs (see note 10)	137	-	-	-	137	141
Fees to retired stipendiary clergy	19	-	-	-	19	37
Other clergy diocesan expenses	58	-	-	-	58	86
Support costs	176	-	-	-	176	191
	1,170	-	4,185	-	5,355	5,278

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

5 Analysis of expenditure (continued)

c Support for mission and ministry

	General fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s	2019 Total £000s
Department costs	187	1	7	-	195	283
Staff costs (see note 10)	1,069	-	-	-	1,069	1,074
Grants (see note 7)	333	117	308	-	758	851
Churches closed for public worship	-	-	27	-	27	50
Legal costs	-	-	-	-	-	51
New church building	-	-	12	-	12	636
Support costs	623	-	-	-	623	518
	2,212	118	354	-	2,683	3,463

Support for ministry and mission includes activities carried out by the Diocesan Training Partnership, Acceler8 and Serving Christ projects, and the costs of supporting the joint venture Together For Change.

The new church built in Stoke Aldermoor was financed by Mission to Lowest Income Communities grant funding with the final retention paid in the year.

d Contributions to Archbishops' Council

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s	2019 Total £000s
Training for ministry	232	-	-	-	232	232
National Church Responsibilities	174	-	-	-	174	184
Grants & provisions	19	-	-	-	19	20
Mission agencies' pension costs	9	-	-	-	9	2
Retired clergy housing & other costs	83	-	-	-	83	79
Pooling of candidates' costs	-	-	-	-	-	24
	517	-	-	-	517	541

e Diocesan Board of Education

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s	2019 Total £000s
Grants (see note 7)	159	-	-	-	159	160
Support costs	29	-	-	-	29	37
	188	-	-	-	188	197

f Other

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s	2019 Total £000s
Unwinding of pension liability discount	-	-	-	6	6	42
	-	-	-	6	6	42

6 Analysis and allocation of support costs

	Raising funds £000s	Ministry & mission £000s	Support for ministry & mission £000s	Education £000s	2020 Total £000s	2019 Total £000s
Governance, management & finance						
Staff costs (see note 10)	124	52	244	28	448	449
Other costs	26	18	100	1	145	130
Office						
Staff costs (see note 10)	14	89	137	-	239	161
Other costs	28	17	142	-	187	223
	192	176	623	29	1,019	963

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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for the year ended 31 December 2020

7 Grants Awarded

	2020 £000s	2019 £000s
To parishes and other organisations in the Diocese		
<i>Mission & ministry in parishes</i>		
Mission to Lowest Income Communities grants	109	160
Diocesan Mission Fund grants to parishes	21	60
20-30s development work	39	34
Growing Faith project grants to parishes	50	-
Bishop's mission funds grants to parishes	17	5
<i>Church land and buildings</i>		
Church Improvement Fund grants for ten churches (2018: none)	44	44
Other church building developments	-	35
Church Fabric Fund grants for four churches (2018: ten churches)	30	16
<i>Other organisations in the Diocese</i>		
Coventry Diocesan Board of Education	159	160
Coventry Cathedral for Open Admission programme	-	50
Together For Change	30	42
Coventry Cathedral for diocesan services	16	17
Coventry Cathedral for diocesan centenary	-	9
Hope Coventry	-	7
Coventry Diocesan Board of Education for diocesan centenary	-	4
	515	643
To other institutions		
Link Dioceses of Kaduna, Kapsabet and Jerusalem	-	22
Syrian Orthodox Christian School	-	10
	-	32
To individuals		
For support of ordinands in ministerial training	386	300
Other grants to clergy and readers	15	27
Lay retreat grants	1	9
	402	336
	917	1,011

Summarised by fund type:

	General Fund £000s	Designated funds £000s	Restricted funds £000s	2020 Total £000s	2019 Total £000s
Support for mission and ministry					
Mission and ministry in parishes	89	43	104	236	259
Church land and buildings	-	74	-	74	95
Other organisations in the Diocese	46	-	-	46	129
Other institutions	-	-	-	-	32
Individuals	198	-	204	402	336
	333	117	308	758	851
Diocesan Board of Education					
Other organisations in the Diocese	159	-	-	159	160
	159	-	-	159	160
	492	117	308	917	1,011

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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8 Trustees' emoluments and expenses

None of the trustees received any emoluments from the DBF for services performed as directors (2019: £nil).

The parochial clerical members who are trustees of the DBF and the archdeacons are in receipt of a stipend, housing and other payments made to clergy paid by the DBF by virtue of their office. The DBF provides housing for the Suffragan Bishop by virtue of his office.

One trustee received a total of £97 in the year for travel expenses related to activity as trustees of the DBF (2019: seven and £441).

One trustee received a total of £502 in the year for travel and other expenses in connection with their membership of the General Synod of the Church of England, membership of which is not connected with their membership of the Board (2019: two and £552).

Eleven trustees received a total of £521,392 in connection with other offices held in the Diocese (2019: eighteen and £451,409).

These amounts were for stipends, accrued pension benefits, housing, expenses and sundry grants for resettlement and ministerial

Yvonne Warren provided counselling services to the DBF and received £1,100 (2019: £280) as payment for services provided.

Yvonne Warren is a trustee of the DBF and a self-employed professional counsellor. The transactions were conducted in accordance with the DBF's normal procurement procedures.

9 Clergy headcount and costs

The average full time equivalent number of stipendiary clergy who were office holders in the Diocese was 111 (2019: 108); this included two (2019: two) archdeacons.

	2020 £000s	2019 £000s
Stipends	2,956	2,826
Social security costs	244	233
Pension contributions	761	715
	3,962	3,774

10 Staff headcount and costs

a Staff numbers based on headcount

	2020 Headcount	2019 Headcount
Staff employed directly:		
Mission and ministry	6	5
Support for mission and ministry	32	34
Central support	10	12
	48	51
Staff employed via third parties		
Support for mission and ministry	1	1
Central support	3	4
	52	56

b Staff costs

	2020 £000s	2019 £000s
Staff employed directly:		
Salaries	1,417	1,402
Social security costs	134	124
Pension contributions	140	138
	1,691	1,664
Staff employed via third parties:		
For service in the year	199	161
	1,890	1,825

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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10 Staff headcount and costs (continued)

The number of employees whose total remuneration amounted to over £60,000 in the year was as follows:

	2020 Headcount	2019 Headcount
£70,001 to £80,000	1	1
£60,001 to £70,000	1	1

None (2019: none) accrued retirement benefits under a defined benefit pension scheme.

Joint workers are employed by the Leicester Diocesan Board of Finance under joint working arrangements. Their full time equivalents' headcount and costs relate to time allocated to and paid for by the Coventry DBF.

Clergy and licensed lay workers who are office holders in the Diocese are not employees of the DBF and therefore their costs are shown separately in note 9.

Key management personnel are those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the charity. Remuneration for key management personnel, including employer's national insurance contributions and contributions to the defined benefit pension builder classic section of the church workers' pension scheme, amounted to £359,408 (2019: £356,513).

11 Tangible fixed assets

	Parsonages £000s	Glebe houses £000s	Operational properties £000s	Diocesan offices £000s	Office equipment £000s	Total £000s
Cost						
At 1 January 2020	6,234	928	10,758	846	237	19,003
Additions	-	-	332	-	-	332
Transfers	(15)	-	15	-	-	-
Disposals	-	-	(810)	-	-	(810)
At 31 December 2020	6,219	928	10,295	846	237	18,525
Depreciation						
At 1 January 2020	-	-	-	-	233	233
Charge for year	-	-	-	-	2	2
At 31 December 2020	-	-	-	-	235	235
Net book value						
At 31 December 2020	6,219	928	10,295	846	2	18,290
At 31 December 2019	6,234	928	10,758	846	4	18,770

All tangible fixed assets were used for direct charitable purposes.

12 Fixed asset investments

	Glebe properties £000s	Unlisted investments £000s	Total £000s
Fair value at 1 January 2020	34,697	34,240	68,937
Additions at cost	403	548	951
Disposals at cost	(400)	(548)	(948)
(Losses)/Gains on revaluation	(46)	2,609	2,563
Fair value at 31 December 2020	34,654	36,849	71,503

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

12 Fixed asset investments (continued)

Investments are held primarily to provide an investment return.

The fair value of Glebe properties was measured following consultation with the DBF's advisers.

Unlisted investments primarily consist of holdings in CBF Church of England funds managed by CCLA Investment Managers Ltd (the CBF Investment, UK Equity and Global Equity Income funds), and in the Edentree (previously called Amity) Balanced Fund for Charities managed by Ecclesiastical Investment Management Ltd. Unlisted investments also include an investment of £5,000 in the Churches Mutual Credit Union and a residential property of £55,000.

13 Debtors

	2020 £000s	2019 £000s
Glebe agents	171	250
Parish Share	27	63
Accrued grant income due within one year	1,530	1,511
Prepayments and accrued other income	469	457
Other debtors	157	126
	2,354	2,407

14 Creditors: amounts falling due within one year

	2020 £000s	2019 £000s
Trade creditors	172	144
Grant payment accruals	300	413
Other accruals	248	229
Deferred income	225	233
Taxation and social security	82	100
Pension contributions payable for the period	10	12
Pension liability (see note 2)	339	347
	1,376	1,478

15 Creditors: amounts falling due after more than one year

	2020 £000s	2019 £000s
Pension Liability (see note 2)	58	385
Grant payment accruals	120	156
	178	541

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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16 Statement of funds	At 1 Jan 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and (losses) £'000	At 31 Dec 2020 £'000
GENERAL FUND	2,660	5,847	(4,325)	(2,692)	138	1,628
DESIGNATED FUNDS						
Operational Properties Fund	11,605	-	-	(1,102)	640	11,143
Cathedral "Endowment" Fund	-	-	-	4,000	-	4,000
Bishop's Mission Fund	35	1	(2)	-	-	34
Extra Mission and Ministry Support Fund	126	-	(20)	-	-	106
Diocesan Mission Fund	73	1	(21)	-	-	53
Church Buildings Fund	26	-	(30)	75	-	71
Church Improvement Fund	61	-	(44)	60	-	77
Bishop of Coventry's Link Dioceses Fund	5	-	(1)	-	-	4
Lambeth Conference Fund	-	-	-	20	-	20
Special Projects 2020	-	-	-	(10)	-	(10)
Clergy Holidays Fund	115	3	-	-	7	125
Total designated funds	12,046	5	(118)	3,044	647	15,624
Total unrestricted funds	14,706	5,852	(4,443)	352	785	17,252
RESTRICTED FUNDS						
Pastoral Fund	30	-	(27)	-	-	3
Acceler8 Grants Fund	123	-	-	(58)	-	65
Serving Christ Fund	1,326	-	-	(261)	-	1,065
Mission to Lowest Income Communities Fund	66	385	(121)	-	-	330
Church Commissioners' Mission Fund	-	-	5	-	-	5
Warwick 20s-30s Development Worker Fund	(1)	1	-	-	-	-
Place of Peace Fund	-	11	(4)	-	-	7
Offa Capital Projects Fund	282	1	-	-	-	283
Offa Spiritual Renewal Fund	1,114	33	-	-	76	1,223
Syrian Orthodox Christian School Fund	5	6	-	-	-	11
SOCS Scholarship Fund	2	-	-	-	-	2
Companionship Link Funds	2	-	-	-	-	2
Retreat Grants Fund	19	2	(1)	-	-	20
The Reverend George Goode Fund	15	-	(1)	1	-	15
Ordination Training Grant Fund	(2)	184	(199)	-	-	(17)
DC Bonfield Bequest	58	-	-	-	-	58
Ordination Candidates' Fund	-	-	-	-	-	-
Archdeacons' Discretionary Fund	45	1	(3)	-	3	46
Queen Victoria Clergy Fund	2	2	(3)	1	-	2
EE Bardsley Bequest	-	-	-	-	-	-
Diocesan Stipends Fund Income Account	-	18	(3,799)	3,781	-	-
Capacity Funding	-	231	-	(16)	-	215
Deanery Share Support Fund	-	349	(349)	-	-	-
Warwick Clergy Stipends & Housing Fund	-	223	(223)	-	-	-
Total restricted funds	3,086	1,447	(4,725)	3,449	79	3,336
ENDOWMENT FUNDS						
<i>Expendable:</i>						
Parsonage Houses Fund	6,233	-	-	(15)	-	6,218
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	65,985	2,213	-	(4,122)	2,577	66,653
Church of England Funded Pension Fund	(732)	-	(6)	336	5	(397)
Coventry Diocesan Endowment Fund	763	-	-	-	48	811
Total endowment funds	72,249	2,213	(6)	(3,800)	2,630	73,286
TOTAL FUNDS	90,041	9,512	(9,174)	0	3,494	93,874

* Transfers include £4,122k (2019: £2,251k) released to restricted funds in accordance with the DBFs total return policy.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

17 Descriptions of Designated, Restricted and Endowment Funds

DESIGNATED FUNDS

Operational Properties Fund

This fund represents the cost of properties held for operational use by the DBF and by clergy not in parochial posts that otherwise would be held by the General Fund, including the houses occupied by the Suffragan Bishop and the archdeacons, but excluding Glebe houses for occupation by clergy, together with surplus cash from the sale of properties held for reinvestment in houses for curates and other clergy.

Cathedral "Endowment" Fund

With the loss of trading income for the Cathedral during the COVID 19 pandemic, the DBF intends to create a fund with a capital amount of £5m which is to remain under the control of the DBF. The income generated from the capital amount, currently invested with CCLA, will be granted on a quarterly basis to the Cathedral each year. It is expected that c£150k will be derived from these investments. This income can be used by the Cathedral on its normal running costs and in return the Cathedral will continue to provide Diocesan services, and work with parishes on the reconciliation ministry strategic objective across the Diocese. These funds can be undesignated, in agreement with the Cathedral, by the DBF in the future. Following the review of the performance in 2020 funds of £4m were made available to create this fund.

Bishop's Mission Fund

This fund has been established to support specific mission projects sponsored by the Bishop of Coventry.

Extra Mission and Ministry Support Fund

This fund enables the DBF to give financial support to those providing ministry and mission.

Diocesan Mission Fund

The Diocesan Mission Fund was set up in 2009 and has been replenished to fund applications for mission support from parishes.

Church Buildings Fund

This fund is also known as the Church Fabric Fund and is normally used to make fabric grants to churches.

Church Improvement Fund

This fund is used to make improvement grants to churches for their buildings with the aim of increasing mission effectiveness.

Bishop of Coventry's Link Dioceses Fund

This fund is supported by transfers from the General Fund and relates to the Anglican Diocese of Kaduna and the Syrian Orthodox Diocese of Jerusalem.

Clergy Holidays Fund

This fund receives interest arising from the capital on the past sale of a flat in Bournemouth and a bequest received in 2005. It is used by the Archdeacons to make holiday grants to clergy and licensed lay workers.

RESTRICTED FUNDS

Pastoral Fund

Acceler8 Grants Fund

This fund has been set up as a result of a grant awarded in 2015 by the Church Commissioners towards the cost of a project to speed up the growth of churches across the diocese by improving their health in eight quality areas and by intentionally focusing on the 20s and 30s age range.

Serving Christ Fund

This fund has been set up as a result of a grant awarded in 2017 by the Church Commissioners towards the costs of the Serving Christ project, an extension of the existing diocesan strategy of growing healthy churches. The project aims to increase significantly the capacity for growth in existing and emerging churches across the diocese of Coventry, and also Ebbsfleet parishes in other Dioceses, by a focus on discipleship development.

Mission to Lowest Income Communities Fund

This fund is for grants received from the Church Commissioners during the 2017 to 2019 triennium for mission to lowest income communities in the Diocese.

New Church Building Funds

This fund is for monies received from the Stoke Aldermoor PCC for additional works on the new church building.

Church Commissioners' Mission Fund

This fund represents additional funds given to the DBF by the Church Commissioners that have arisen as a result of better returns on their investment assets and may be used to support parochial ministry and mission.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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for the year ended 31 December 2020

17 Descriptions of Designated, Restricted and Endowment Funds (continued)

Warwick 20s and 30s Development Fund

This fund was set up in the year for income from The King Henry VIII Endowed Trust, Warwick to pay for the cost of a 20s and 30s development worker for the parishes of the Warwick Team and Budbrooke.

Offa Capital Projects Fund

The Trustees and Bishop of Coventry have set this fund using the proceeds of the Offa House sale. The capital and income from this fund can be used to fund capital projects that support the spiritual development of the members of the church in the Diocese of Coventry.

Offa Spiritual Refreshment Fund

This fund has been set up using the monies from the sale of Offa House. The capital and income from this fund is available to fund projects for children and or adults which develop their spirituality.

Syrian Orthodox Christian School (SOCS) Funds

The Mar Ephraim School is a Syrian Orthodox school that opened in Bethlehem in 2006. Donations to the main fund go to support the school and the Scholarship Fund is used to provide a bursary for a pupil. These funds were previously managed by Coventry Cathedral and were paid over to the DBF in December 2011.

Companionship Link Funds

These funds are funds raised to fund specific projects for the linked dioceses.

Retreat Grants Fund

This fund was set up with funds donated by the company which managed the former retreat house, for retreat grants for lay people who are not licensed and who are communicant members of the Church of England within the Diocese of Coventry.

The Reverend George Goode Fund

This fund represents money held for training and supporting the ministry of Readers in the Diocese.

Ordination Training Grant Fund

This fund is for the block grant received from the Archbishop's Council for training ordinands sponsored by the Diocese. The block grant is based on the number and age of ordinands sponsored by the Diocese and can only be used to fund training on Initial Ministerial Education Phase 1 pathways at accredited institutions approved by the Ministry Division of the Archbishops' Council.

DC Bonfield Bequest and Ordination Candidates' Fund

These funds enable the DBF to give financial support to those in training for the Ministry. The DC Bonfield Bequest funds came from the estate of Donald Charles Bonfield in 2006 and subsequent years.

Archdeacons' Discretionary Fund and the Queen Victoria Clergy Fund

These funds enable the Archdeacons and the Bishop to give discretionary grants to those in Parochial Ministry in need.

Diocesan Stipends Fund Income Account

This fund consists of accumulated income balances subject to the Diocesan Stipends Fund Measure 1953. It receives income specifically for support of stipends, in particular Glebe rental income and investment income from the Diocesan Stipends Fund Capital Account, and is charged with expenditure on Clergy stipends and the management and maintenance of Glebe property. The excess of expenditure over income is charged to the General Fund.

Capacity Funding

This fund has been set up as a result of a grant awarded in 2020 from the Church Commissioners to fund the first year of salary for the Programme Manager and the Director of New Worshipping Communities posts which form part of the Growth Strategy of the Diocese.

Deanery Share Support Fund

This fund has been set up as part of the Deanery Share system to assist deaneries that need support to cover the cost of parochial ministry posts with an allocation from the combined parish shares of deaneries that are able to contribute.

Warwick Clergy Stipends & Housing Fund

This fund receives income from The King Henry VIII Endowed Trust, Warwick to pay for stipend and housing costs of clergy in the parishes of the Warwick Team and Budbrooke.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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for the year ended 31 December 2020

17 Descriptions of Designated, Restricted and Endowment Funds (continued)

The following fund is still active but has a zero balance and there has been no activity during the year:

EE Bardsley Bequest

These funds were received in 2005 and 2006 from the estate of the late Mrs Edith Bardsley, widow of the late Bishop Bardsley, for use by the Coventry Diocesan Board of Mission, of which the DBF is the successor. Both capital and income may be used.

ENDOWMENT FUNDS

Parsonage Houses Fund

This fund represents the capitalised value of clergy housing for which the DBF has responsibility for maintenance.

Diocesan Stipends Fund Capital Account

This fund represents the value of property and investments held under the Endowments and Glebe Measure 1976. Historically, these holdings were held at parish level for the benefit of individual clergy stipends, but since the Measure they have been managed at Diocesan level for the benefit of all clergy paid for by the DBF.

Coventry Diocesan Endowment Fund

This fund is established to produce income applied for the augmentation of stipends. The assets of the fund are held by the Diocesan Trustees as custodian trustees.

18 Total Return

	Trust for Investment £000s	Unapplied Total Return £000s	Total £000s
At 1 January 2020			
Gift component of the permanent endowment	14,984	-	14,984
Accumulated inflation since original gift	6,452	-	6,452
Accumulated net transfers brought forward	(162)	-	(162)
Unapplied total return	-	44,711	44,711
	21,274	44,711	65,985
Movements in the year			
Investment return: property income, dividends and interest	-	2,213	2,213
Investment return: realised and unrealised gains and losses	-	2,577	2,577
Indexation on base value of investment	529	(529)	-
	529	4,261	4,790
Unapplied total return allocated to income in the year	-	(2,213)	(2,213)
Additional release of historic unapplied total return	-	(1,909)	(1,909)
	-	(4,122)	(4,122)
Net movements in the year	529	139	668
At 31 December 2020			
Gift component of the permanent endowment	14,984	-	14,984
Accumulated inflation since original gift	6,981	-	6,981
Accumulated net transfers carried forward	(162)	-	(162)
Unapplied total return	-	44,839	44,839
	21,803	44,839	66,642

In response to the financial difficulties being faced by parishes as a result of the pandemic, Bishops Council and Diocesan Synod approved the release of historic unapplied return to fund the Parish Share Relief scheme, the creation of a designated fund for the Cathedral and Funding for the new Growth Strategy. The realised and unrealised gains on the assets has meant that the use of historic funds has not been required. The release of funds is limited to no more than the amount spent on stipends and housing for clergy each year. The maximum that could be released in 2020 was £4,167,000.

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

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for the year ended 31 December 2020

19 Transfers between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s
Transfers relating to properties:					
Property sales transferred to the General Fund	1,450	(1,450)			-
Property purchases funded by the General Fund	(332)	332			-
Property classified as Operational Property		16		(16)	-
	1,118	(1,102)	-	(16)	-
Establishment of Lambeth Conference Fund	(20)	20	-	-	-
Top up Church Fabric Fund	(75)	75			-
Top up Church Improvement Fund	(60)	60			-
Pension deficit contributions paid in year	-	-	(336)	336	-
Releases to cover General Fund costs incurred:					
Acceler8 project	58	-	(58)	-	-
Serving Christ project	261	-	(261)	-	-
Cathedral Endowment Fund	(4,000)	4,000			-
Growth Strategy - capacity funding	16		(16)	-	-
Growing Faith project work	9	(9)	-	-	-
	(2,692)	3,044	(671)	320	-

20 Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2020 Total £000s
Funds at 31 December 2020 are represented by:					
Tangible fixed assets	2	11,141		7,147	18,290
Fixed asset investments	2,134	116	1,216	68,037	71,503
Net current assets	(508)	4,392	2,215	(1,898)	4,201
Creditors falling due after more than one year		(25)	(95)	-	(120)
Total net assets	1,628	15,624	3,336	73,286	93,874

21 Related party transactions

The Coventry Diocesan Board of Education ("the DBE") is a related party as it is responsible to Diocesan Synod, the members of which are also the members of the DBF. The DBF provided the DBE with grants of £159,000 (2019: £159,504) in the year towards the costs of the DBE's statutory obligations and, in 2019, the costs of academisation and the costs of potential new schools development (see note 7). Other grants provided by the DBF totalled £0 (2019: £4,148). Other services provided by the DBF totalled £0 (2019: £12,231). The net amount owing from the DBE at 31 December 2020 in relation to transactions between the two parties was £0 (31 December 2019: £1,302).

The Coventry Diocesan Trustees (Registered) ("the CDT") is a related party as it is the custodian trustee of the Coventry Diocesan Endowment Fund and a residential property. Income received from the Diocesan Trustees during the year for the Diocesan Stipends Fund Income Account was:

Coventry Diocesan Endowment Fund	£21,232 (2019: £20,614)
Residential property	£2,362 (2019: £3,254)
CJB Meacham Trust	£6,520 (2019: £6,330)
Clifton on Dunsmore-Hanbury Trust	£1,548 (2019: £1,503)

Costs incurred by the DBF on behalf of the Diocesan Trustees were £34,280 (2019: £35,602). These costs were for secretarial support, land registrations and audit fees.

Together for Change (TFC) is a joint venture between the DBF and the Church Urban Fund. Costs incurred by the DBF as part of this partnership include the supply of a Chief Executive Officer, office and IT provision, and finance and HR services. A grant of £30,000 was awarded in the year (2019: £22,000).

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

22 Prior year Statement of Financial Activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2019 Total £000s
Income and endowments from:					
Donations					
Parish Share	5,036	-	293	-	5,329
Church Commissioners	38	-	569	-	607
Other grants and donations	129	-	714	-	843
Charges for charitable activities	356	-	8	-	364
Other trading activities	637	-	-	-	637
Investments					
Investment income	74	8	24	2,251	2,357
Total return allocated to income	-	-	2,251	(2,251)	-
Other	-	104	-	-	104
Total	6,270	112	3,859	-	10,241
Expenditure on:					
Raising funds	269	-	243	-	512
Charitable activities	-	-	-	-	-
Mission and ministry	3,050	-	2,228	-	5,278
Support for mission and ministry	2,210	140	1,113	-	3,463
Contributions to Archbishops' Council	541	-	-	-	541
Diocesan Board of Education	197	-	-	-	197
Other	-	-	-	42	42
Total	6,267	140	3,584	42	10,033
Net income/(expenditure) before investment gains	3	(28)	275	(42)	208
Net gains/(losses) on investments					
Net losses on revaluation	314	16	5	5,131	5,466
Surplus on sale of investments	-	-	-	49	49
Net income/(expenditure)	317	(12)	280	5,138	5,723
Transfers between funds	(379)	778	(665)	266	-
Other recognised gains/(losses):					
Gains on revaluation of fixed assets	-	-	-	8	8
Actuarial loss on defined benefit pension scheme	-	-	-	1,148	1,148
Net movement in funds	(62)	766	(385)	6,560	6,879
Reconciliation of funds					
Funds at 1 January	2,722	11,280	3,471	65,689	83,162
Net movement in funds	(62)	766	(385)	6,560	6,879
Funds at 31 December	2,660	12,046	3,086	72,249	90,041

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

23 Prior year Statement of funds

	At 1 Jan 2019 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 Dec 2019 £000s
GENERAL FUND	2,722	6,270	(6,267)	(379)	314	2,660
DESIGNATED FUNDS						
Operational Properties Fund	10,842	-	-	659	104	11,605
Bishop's Mission Fund	26	4	5	-	-	35
Extra Mission and Ministry Support Fund	132	-	(6)	-	-	126
Diocesan Mission Fund	103	1	(60)	29	-	73
Church Buildings Fund	42	-	(16)	-	-	26
Church Improvement Fund	-	-	(44)	105	-	61
Centenary Events Fund	11	-	4	(15)	-	-
Bishop of Coventry's Link Dioceses Fund	26	-	(21)	-	-	5
Clergy Holidays Fund	98	3	(2)	-	16	115
Total designated funds	11,280	8	(140)	778	120	12,046
Total unrestricted funds	14,002	6,278	(6,407)	399	434	14,706
RESTRICTED FUNDS						
Pastoral Fund	72	8	(50)	-	-	30
Acceler8 Grants Fund	215	-	-	(92)	-	123
Serving Christ Fund	1,581	-	-	(255)	-	1,326
Mission to Lowest Income Communities Fund	398	429	(759)	(2)	-	66
New Church Building Fund	-	59	(59)	-	-	-
Church Commissioners' Mission Fund	11	-	(11)	-	-	-
Warwick 20s-30s Development Worker Fund	-	15	(16)	-	-	(1)
Offa House Sale Proceeds Fund	1,037	367	-	(1,404)	-	-
Offa Capital Projects Fund	-	1	(20)	301	-	282
Offa Spiritual Renewal Fund	-	13	-	1,103	(2)	1,114
Syrian Orthodox Christian School Fund	5	10	(10)	-	-	5
SOCS Scholarship Fund	2	-	-	-	-	2
Companionship Link Funds	2	18	(18)	-	-	2
Retreat Grants Fund	28	-	(9)	-	-	19
The Reverend George Goode Fund	15	-	-	-	-	15
Ordination Training Grant Fund	6	140	(148)	-	-	(2)
DC Bonfield Bequest	57	1	-	-	-	58
Ordination Candidates' Fund	-	6	(6)	-	-	-
Archdeacons' Discretionary Fund	40	2	(4)	-	7	45
Queen Victoria Clergy Fund	2	3	(3)	-	-	2
Diocesan Stipends Fund Income Account	-	24	(1,959)	1,935	-	-
Deanery Share Support Fund	-	293	(293)	-	-	-
Warwick Clergy Stipends & Housing Fund	-	219	(219)	-	-	-
Total restricted funds	3,471	1,608	(3,584)	1,586	5	3,086
ENDOWMENT FUNDS						
<i>Expendable:</i>						
Parsonage Houses Fund	5,883	-	-	350	-	6,233
<i>Permanent:</i>						
Diocesan Stipends Fund Capital Account	61,309	2,251	-	(2,651)	5,076	65,985
Church of England Funded Pension Scheme	(2,154)	-	(42)	316	1,148	(732)
Coventry Diocesan Endowment Fund	651	-	-	-	112	763
Total endowment funds	65,689	2,251	(42)	(1,985)	6,336	72,249
TOTAL FUNDS	83,162	10,137	(10,033)	-	6,775	90,041

COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

24 Prior year Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2019 Total £000s
Funds at 31 December 2019 are represented by:					
Tangible fixed assets	4	11,604	-	7,162	18,770
Fixed asset investments	1,995	109	1,139	65,694	68,937
Net current assets	661	395	2,041	(222)	2,875
Creditors falling due after more than one year	-	(62)	(94)	(385)	(541)
Total net assets	2,660	12,046	3,086	72,249	90,041