

# **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2021**

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**

Company number - 00227087

Registered charity number – 249100

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## **CHAIR'S REPORT**

2021 was another very challenging year as the coronavirus pandemic continued, many more people contracted the virus and the associated restrictions and lockdowns, though easing, remained in place. Churches remained for the most part closed as the year began, or open with strict limitations on numbers attending and permitted activities. Even though things began to become easier from the summer onwards, many measures to contain the spread of the virus continued throughout the year and many churchgoers were cautious about the resumption of in-person activities. Despite this, our church communities showed great initiative in caring for those most in need, supporting those who were ill and those sadly bereaved. Online worship continued to be offered, even as services in church buildings resumed.

The financial impact of the pandemic on the diocese has again been serious in 2021. Contributions from the parishes to the diocese at £4 million were down on the already-depressed level of £4.157 million in 2020, although this was offset by an increase in the diocesan share of fees for occasional services (weddings and funerals). The ability of parishes to contribute financially in the coming years remains a matter of concern.

Overall, our accounts show a deficit of £953k for the year before gains on investments and fixed asset revaluations, despite a very welcome one-off grant from the national Church of £700k to compensate for lost income in the past two years. In response, the trustees took the difficult decision to carry out a restructuring and downsizing of the central staff team, as well as imposing a temporary freeze on the filling of vacancies for clergy in the parishes.

Following an extensive consultation process lasting over 12 months, in October 2021 Diocesan Synod agreed a new framework for the diocese focussed on 'Minster Communities' – designated groups of parishes, fresh expressions of church, and schools brought together collectively for mission, resourced through the leadership of a diverse ministry team comprised of clergy, licensed lay ministers and headteachers. Growing Faith Ministers are part of this diverse ministry team and embody a core aim of the Minster Community framework, namely, to see many more children and young people growing in faith and exercising genuine leadership within the church. Twenty to twenty-five Minster Communities will be created across the Diocese; the number of churches and schools belonging to each one will vary considerably in different contexts. It is intended that this structure will make the most of the opportunities to live out our faith in a way that appeals to all whom we meet, and that ultimately reveals the Kingdom of God amongst us. It will also relieve the pastoral burden on parish clergy and be financially sustainable.

In addition to agreeing the new structure, we are working with Five Strategic Priorities:

1. New communities – establishing as many fresh expressions of church (including church plants) as there are inherited churches - our Strategic Development Funding (SDF) Resourcing Churches programme is one part of this priority.
2. Intercultural communities – growing the number of UK minority ethnic ministers and intentionally learning from different cultures (our SDF funded Intercultural Worshipping Communities programme is one part of this priority).
3. Intergenerational communities – 'growing faith' among children and young people through links between churches, schools and households.
4. Eco-communities – achieving eco-diocese status and aiming for net zero emissions by 2030.
5. Reconciling communities - to 'live well together' in church and society across our many divides.

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**CHAIR'S REPORT (continued)**

In the face of many challenges, our people, both lay and ordained, continue to serve the people of Leicester and Leicestershire with faithfulness, commitment, and imagination. I am immensely grateful to all those, paid or volunteering, who offer themselves and their energies to the work of God in our diocese.

**David Palmer**  
**Chair of Leicester Diocesan Board of Finance**  
**21 May 2022**

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The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2021.

The Directors / Trustees are one and the same and in signing as Trustees they are also signing the Strategic Report sections in their capacity as Directors.

This combined report satisfies the legal requirements for:

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

**LEGAL OBJECTS**

The Objects of the Diocese of Leicester covers the entire county of Leicestershire.

The Leicester Diocesan Board of Finance (The)'s ("LDBF") principal object is to promote, assist and advance the work of the Church of England in the Diocese of Leicester by acting as the financial executive of the Leicester Diocesan Synod.

The LDBF has the following statutory responsibilities:

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

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

## STRATEGIC REPORT

### Strategic aims

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

In November 2014, the Diocesan Synod unanimously recommitted to the "Shaped by God" vision and strategy for the next 10 years, which seeks to grow the kingdom of God in depth of discipleship, number of disciples of Jesus and the loving service of the world.

The Diocese of Leicester has identified ten 'marks of mission' which are in effect a statement of our values. We have articulated these values in the hope that they will shape our culture (the way we do things here) and infuse all our actions:

- noticing God at work among us, and continually asking: what are we learning, and how do we join in with God's activity? **(discerning)**
- lives and communities transformed, through the good news of Jesus Christ; **(transformational)**
- worship in a way that renews and inspires, echoing the praise of heaven; **(inspirational)**
- self-giving service to the community, because the Church is called to be local and outward looking; **(self-giving)**
- being rooted in prayer, because prayer is part of our loving response to the needs of the world; **(prayerful)**
- confident and sensitive evangelism, responding to Jesus' call to share our faith in word and deed; **(confident)**
- lifelong Christian nurture, because our mission overflows from our own discipleship; **(nurturing)**
- the welcome of newcomers, helping those who come close to the church to feel cherished by God; **(hospitable)**
- becoming child friendly, following our Lord's example of putting children at a central place in His ministry; **(child-like)**
- celebration of people and places, because godly celebration is at the heart of the gospel; **(celebratory)**

### Overall objectives for the year

In response to the above strategic priorities determined by the Diocesan Synod, several groups, including the Bishop's Council, Bishop's Staff and Deanery Synods, have discussed and consulted widely to agree specific objectives for this and subsequent years. These objectives are:

- 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 Leicester.
- To maintain a sound financial structure required to support the clergy in the payment of stipends, managing parsonages and other ministerial housing and providing other facilities in support of the clergy and lay people in parishes across the Diocese.

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- To support the National Church institutions through an annual grant, including a contribution to the cost of training Ordinands and for providing retirement housing for clergy.
- To support The Leicester Diocesan Board of Education (“LDBE”) by way of a grant towards staff costs.

Through carrying out these objectives and in promoting the whole mission of the church (pastoral, evangelistic, social and ecumenical), the Trustees are confident (having had regard to Charity Commission guidance) that LDBF delivers public benefit through community engagement, resourcing education and supporting those in need both spiritually and physically.

### **Activities and achievements in the year**

#### The Christian Presence

Clergy form a central part in the life of churches in the Leicester Diocese and carry out important roles in communities. As well as engaging in a wide variety of community and church projects, clergy carried out 129 weddings (including marriage blessings), 1,200 funerals and 154 baptisms during 2020 – the figures are only available one year in arrears and are substantially down on 2019 due to the Covid-19 pandemic. Whilst the LDBF is responsible for funding of clergy stipend costs, the national clergy payroll is administered by the Archbishops’ Council, a charity which the LDBF reimburses regularly for the costs of stipendiary clergy deployed in the Diocese. Caring for the 90 trained stipendiary clergy and 33 training curates we had at the end of 2021 in the diocese is a priority of the LDBF and represents by far its largest financial commitment. Although the LDBF does not employ the parish clergy, it is responsible for training them, paying them, and paying into their pension fund. New terms of service were introduced in 2011 in the form of Common Tenure under which all new clergy are appointed (some present clergy chose to retain their freehold). The new package gives greater clarity on the rights and obligations of clergy and requires that they participate in a process of continual professional development and ministerial development review. It also gives clergy access to tribunals and other useful services.

For many, the clergy house represents the domestic heart of the parish, serving not only as a home but also as a base for ministry. LDBF recognises the importance of a safe, secure and well maintained house and strives to continue with this work as well as carrying out programmed refurbishments and improvements, as available money allows.

During all interregnums, the Area Deans worked closely with the churchwardens of the relevant parishes and ensured that, in every case, scheduled services continued and, with very few exceptions, other activities within the community continued uninterrupted. This was largely made possible by the increasing pool of both retired and self-supporting ministers in the diocese together with the administrative support for the area deans being funded by LDBF.

#### Other related parties include:

- The Archbishops’ Council to which it pays a donation based on an apportionment system for funding national training of Ordinands and the activities of the various national boards and councils, as well as General Synod.
- The Church Commissioners from which the LDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The LDBF pays for clergy stipends through the Church Commissioners.
- The Church of England Pensions Board, to which the LDBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.

- Parochial Church Councils (“PCC’s”), to which LDBF is required to be custodian trustee in relation to PCC property. LDBF has no control over PCC’s, which are independent charities. The accounts of PCC’s and deaneries do not form part of these financial statements.
- Leicester Diocesan Board of Education (charity number 1151692), to which LDBF provides grant support.
- Leicester Cathedral Chapter, to which LDBF provides certain accounting services.
- Launde Abbey Trustees, to which LDBF provides long term loans used to refurbish the abbey (which is the Diocesan Retreat house) and to cover compensation and legal fees. At 31 December 2021, the loans plus interest totalled £865,138. All loans have been fully provided for and are secured on the value of Launde Abbey (for details see note 17 on page 42).
- Coventry Diocesan Board of Finance (The) (company no. 00319482; charity no. 247828), with which LDBF had a joint working arrangement for several staff during 2021.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of the transactions merits more detailed disclosure this is given in note 28 to the financial statements.

#### Volunteers

LDBF is dependent on the huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people’s relationship to the church particularly at times of crisis. Within this context, the LDBF greatly values the considerable time given by all the committee members across the Diocese in pursuit of the mission of the LDBF.

#### **Future plans**

A central priority within Jesus’ ministry was his calling of twelve disciples - “appointed... to be with him and to be sent out” Mark 3:15. He devoted much time to teaching and mentoring them. He sent them out to continue his work of announcing and giving signs of the kingdom.

The Diocese of Leicester has similarly chosen to focus on this priority of discipleship. Shaped by God in our lives and communities we seek the growth of His Kingdom in:

- the depth of discipleship,
- the number of disciples of Jesus,
- loving service of the world.

We have therefore asked our parish churches, our fresh expressions of church, our chaplaincies, and our schools to work to these priorities. Each Christian community must discern for themselves how to act on these priorities in their own context. It is not for the Board of Finance or the Bishop to dictate how individuals and communities should interpret these priorities. Rather the work of our central support staff is focused on enabling this discernment in each context and helping each community to channel their resources to these priorities. It is for the Bishop to hold each individual minister and each community to account for how they are doing this (“low control, high accountability”).

The major budget element continues to be directed towards the maintenance of a ministerial presence in every parish and the training and development of lay members of the church to support the work of the clergy.



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We are now embarking upon a restructure of the Diocese following a review entitled 'Shaped by God Together' which reported to Diocesan Synod during the Autumn of 2021. We have already restructured the central diocesan structure and we are now in consultation with the Parishes regarding the set up of Minster Communities.

The ongoing objective is to be able to adequately resource diocesan needs, as determined by Synod and informed by local and national Church institutions.

### **Financial review**

#### **Financial Performance**

Parish Contribution, the money given by parishes to the Diocese to fund its mission and ministry, is the main incoming resource for the Diocese. This decreased by £157k to £4.0m (2020: £4.16m).

The Trustees are grateful to all the parishes for their contributions during the year, and especially to those parishes that make regular contributions by instalments, which is essential in keeping the Diocese's need to maintain a cash flow reserve to a minimum.

LDBF had a net £2.40m increase in total funds in 2021 (2020: £1.83m decrease). The 2021 result was affected by a greater increase in the value of its Glebe portfolio (£2.02m increase v £1.25m in 2020); an increase of £529k on the St Martins House ("SMH") asset (£403k decrease in 2020) and greater realised / unrealised gains on investments (circa £1.0m higher).

Overall, the value of fixed asset investments increased; Glebe properties are £33.46m (2020: £31.89m); other investments are £7.91m (2020: £8.74m), resulting in a net increase in investment assets of £748k.

The Trustees had prepared a 2021 budget that had a significant net operational deficit. The impact of the Covid 19 pandemic has meant that there continues to be a budgeted deficit for 2022. These deficits can be offset by asset sales in the short term, via the Total Return release mechanism. We have sufficient relatively liquid assets (such as our stock market investments) to cope in the short term. It is anticipated returning to a breakeven budget by 2027. This is to be achieved by carrying out reviews of the major cost areas and implementing cost cuts over the next three years.

The Trustees are of the opinion that LDBF continues to be a going concern.

#### **Significant Property Transactions**

Land and building additions during the year (included in tangible fixed assets and investment properties) totalled £188k (2020: £157k). The majority of funds were spent improving and refurbishing the current stock of LDBF properties.

There were no new properties purchased during 2021.

Our policy continues to be:

- to replace unsuitable properties;
- to accommodate the changing geographical deployment of clergy within the Diocese;
- to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

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### **Balance sheet position**

The Trustees consider that the Balance Sheet together with details in note 21 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £79.06m (2020: £76.66m) it must be remembered that included in this total are land & buildings, whose value amounted to £73.18m (2020: £72.17m). Additionally, some of the remainder of the assets shown in the balance sheet are held in restricted funds, and cannot necessarily be used for the general purposes of the LDBF.

### **Fundraising**

LDBF raise funds through Parish Contribution (based on offers given by the Parishes) and via an annual Bishop's Lent appeal. No professional fundraisers are employed in these activities. The Lent appeal is an invitation to the general public to contribute to a stated objective. No direct fundraising to individuals is undertaken.

### **Reserves policy**

#### *Free reserves*

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Trustees' policy is to hold a minimum balance of readily realisable assets in the general fund equivalent to 3 months budgeted unrestricted expenditure for 2022. At 31 December 2021 the amount required under this policy totalled £2.58m (2020: £2.80m). General unrestricted free reserves as at 31 December 2021 totalled £6.91m (2020: £6.19m).

In the light of recent events, the Trustees plan to review and, if appropriate, amend the reserve policy.

#### *Reserves tied up in fixed assets*

The general fund has tangible fixed assets of £18.16m, investments of £1.17m and net liabilities of £12.42m.

#### *Designated funds*

The Trustees may, with the approval of the board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2021 total designated reserves were £0.86m (2020: £0.83m).

#### *Restricted and endowment funds*

As set out in note 23, LDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2021 restricted funds totalled £1.96m (2020: £1.75m) and endowment funds totalled £69.32m (2020: £67.88m). Neither fund category is available for the general purposes of the LDBF except for the portion of the endowment fund set aside in the Total Return policy adopted on 1<sup>st</sup> January 2020. The balance of Unapplied Total Return as at 31 December 2021 was £15.15m (2020: £15.90m).

### **Grant making policy**

The Memorandum of Association of the LDBF explicitly permits the LDBF to make grants in pursuance of its objects. The LDBF predominantly achieves this via the Capital and Growth funds. Grants from these funds are disclosed in note 12.

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**Investment policy**

The LDBF is empowered by its Memorandum of Association to invest monies not immediately required for its purposes. In addition, the LDBF acts as trustee of a number of trust funds, and these must be invested in accordance with the related trusts. The LDBF's policy is to review regularly the assets of each fund for which it is responsible, in relation to the purposes of each fund, and to identify appropriate investment vehicles. Note 21 provides detail of the assets of each fund, together with the related purposes, and note 16 summarises the movements in fixed asset investments during the year.

The Trustees' investment policy is to hold investments in a balanced mix of a charity property fund with Savills Investment Management Limited (Savills) and equities with two portfolio managers (Brewin Dolphin and Charles Stanley). Both Brewin Dolphin and Charles Stanley have been instructed to apply an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography or tobacco. The investments held, and their return during the year, are set out in the following table:

	Funds at 31 December 2021 £'000s	Proportion of Portfolio	Income yield in year	Total Return in year
Brewin Dolphin listed investments	1,730	25.7%	1.7%	10.2%
Charles Stanley listed investments	2,068	30.7%	2.3%	19.1%
Savills Investment Management Property Fund	2,847	42.2%	3.7%	12.6%
CCLA funds	45	0.7%	2.4%	15.6%
Other investments	50	0.7%	0.0%	0.0%
	<hr/> 6,740	<hr/> 100.0%		

The Investment Committee regularly reviews the performance of the funds comparing their performance to benchmarks set out in the investors' reports and hence make recommendations to the Trustees on future investment opportunities.

Overall, the income yield was 4.38% and the total return was 13.91%. The Investment Committee consider these returns to be satisfactory in the current climate.

LDBF is a member of the Church Investors Group. The Church Investors Group represents institutional investors from many mainstream Church denominations and church related charities. Its aims are to encourage the formulation of investment policies based on Christian ethical principles, to encourage responsible business practice through engagement with company managements and to share information and views on ethical matters related to investment. The CIG has 65 members, predominantly drawn from the UK and Ireland, with combined investment assets of over £25bn.

## Principal risks and uncertainties

The Trustees are responsible for the identification, mitigation and or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the Trustees on an annual basis with the responsibility for delivery of the mitigation strategies identified by it, being delegated to the Diocesan Chief Executive and the Director of Finance.

The risk register identifies three broad areas where the risk of either failure to act or the impact of the events is considered 'high'. These areas and the associated mitigation strategies are:

### External risk:

- **Reputational risk from scandals and theological disagreements;** Incidents would be managed through Archdeacon reviews and/or the Communications department.
- **Economic risk from a fall in parish contributions;** Continued close analysis and review of budgets and treasury / investment management.
- **Demographic changes;** There is a "Shaped by God Together" strategic plan (see "future plans" on pages 8 & 9 above) to diversify the Church via Minster Communities.

### Operational risk:

- **Personnel risk;** There are processes for performance development and for replacing key personnel who leave. There is also a contract with an external HR consultant.
- **Property;** The risk is to not have the correct amount and/or quality of property to house clergy. To mitigate this LDBF has a fully resourced Property department. An independent review of property management and transactions is reviewed by the appropriate committee (Glebe, etc.).
- **IT;** Systems are off the shelf and easily replaceable. Data is backed up daily and can be restored within 24 hours. There are rules for internet usage monitored by the IT Manager. The IT Manager ensures compliance with The Data Protection Act and the General Data Protection Regulations.
- **Safeguarding and health & safety;** A health & safety policy has been issued to all staff. DBF has a department of 4 staff (2020: 5) dedicated to safeguarding who report to the Director of Operations and Governance.
- **Insurance;** Policies are reviewed annually with a suitably qualified broker.
- **Finance;** Financial processes have been implemented and are periodically reviewed. Changes in the amount of particular income or cost streams are analysed and appropriate corrective action implemented.

### Governance risk:

- **Trustees;** Procedures exist to appoint and retain suitable Trustees
- **Staff structure;** Staff structures are periodically reviewed and set to ensure best practice is adhered to.
- **National network;** There is engagement with national initiatives whilst liaising with other Dioceses to ensure best practice is maintained.

## **STRUCTURE AND GOVERNANCE**

### **Summary Information about the structure of the Church of England**

The Church of England is the established church and HM The Queen is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is a See under the care of a Bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the Diocese.

The National Church has a General Synod comprised of ex-officio and elected representatives from each Diocese and it agrees and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese is itself divided into 10 deaneries, each with its own Synod. Within each parish there is a Parochial Church Council which shares with the parish priest responsibility for the mission of the church in that place in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod.

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

### **Organisational structure**

The Leicester Diocesan Board of Finance (The) ("LDBF") is a company limited by guarantee (No. 00227087) and a registered charity (No. 249100) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Leicester. It was established in its present form in 1927 and is successor in title to the Leicester Diocesan Trustees.

Governance and policy of Leicester Diocesan Board of Finance (The) ("LDBF") is the responsibility of the Trustees, who are also members of the company and trustees for the purposes of charity law. The Trustees are The Bishop of Leicester, who is the ex-officio president of LDBF, The Archdeacons of Leicester and Loughborough (also ex-officio) along with eight people elected from and by the members of Diocesan Synod every three years (with the most recent elections held in 2021), up to three members co-opted by the Board of Trustees, and up to two members nominated by the Bishop. The Chair and Vice Chair are nominated by the Bishop and approved by the Diocesan Synod every three years (with the most recent nomination and approval being in 2021). The details of Trustees who served during the year are set out on page 17.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Leadership Team. The Synod membership is elected every three years, the last elections having been in 2021. The Synod elects eight of the possible eighteen Trustees of the Diocesan Board of Finance. Whilst the LDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing Memorandum and Articles of Association, by virtue of the National Institutions Measure 2000, the LDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

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### **Decision making structure**

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Leicester, are set by the Diocesan Synod and the LDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Chief Executive. The company meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the LDBF. The Trustees hold up to 6 meetings during the year.

The Bishop's Council consists of 11 ex-officio members, including the Diocesan Bishop, the Bishop of Loughborough and the two Archdeacons, 3 clergy elected by the house of clergy from among their number and 5 lay persons elected by the members of the house of laity, a Lay Chair and an Area Dean and a maximum of 4 members co-opted by the Bishop's Council.

The Bishop's Council and Standing Committee meet to formulate and coordinate policies on mission, ministry and finance by:-

- Initiating proposals for action by the Synod and advising it on matters of policy
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion
- Advising the Bishop on any matters he may refer to the committee
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and for the establishment of ad hoc review groups, their terms of reference and membership
- Carrying out such other functions as the Synod delegates to it
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod

There are a number of Diocesan Synod committees, though not all are sub-committees of LDBF, that influence the operation of LDBF. The following are statutory committees:

**Houses Committee;** which is responsible for managing and maintaining LDBF houses, including buying, repairing, maintaining and disposing of LDBF houses (including parsonages and vicarages).

**Glebe Committee;** which is responsible for implementing policy and making major decisions concerning the management of Glebe property and investments for the benefit of the Diocesan Stipends Fund.

**The Diocesan Mission and Pastoral Committee;** which is responsible for approving pastoral reorganisation, taking account of available clergy numbers, and making use of new patterns of ministry.

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

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

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**Closed Church Buildings Committee;** which is responsible for finding appropriate alternative uses for churches that have been declared redundant.

**Vacancy in See Committee;** which is responsible for representing the Diocese in the appointment process of a Diocesan Bishop.

The Trustees, who also meet during the year as **The Finance Committee**, whose members are the Directors of the Company and Trustees of the Charity, are responsible for considering the financial affairs of the Diocese. The Committee reviews the management accounts and budget, the use of assets and investment policies and exercises the authority delegated to it by the Trustees in areas such as grants and loans. It also undertakes the LDBF's responsibilities under the Parsonages Measure; the Repair of Benefice Building Measure 1972; the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 (with respect to parochial property); the Endowment and Glebe Measure 1976 (with regard to property assets); and the Pastoral Measure 2011 (with regard to redundant churches). They also advise Bishop's Council on the financial aspects of strategic matters. They are also supported by:-

**The Investment Committee (a sub-committee of the Finance Committee);** is responsible for determining and overseeing the investment policy of LDBF.

**The Audit Committee (a sub-committee of the Finance Committee);** is responsible for assisting the Trustees in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

### **Trustee recruitment, selection and induction**

Trustees are given induction when first appointed. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff possess the title 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to maintain their entry in the record of declarations of interest.

### **Delegation of day to day delivery**

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Chief Executive and his colleagues for the delivery of the day to day activities of the company. The Diocesan Chief Executive is given specific and general delegated authority to deliver the business of the LDBF in accordance with the policies framed by the Trustees.

### **Funds held as Custodian Trustee**

LDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the LDBF does not control them, and they are segregated from the LDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £2.717m at 31 December 2021 (2020: £2.495m), are available from the LDBF on request, and are summarised in note 29. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the LDBF's solicitor, Stone King LLP.

## **TRUSTEES' RESPONSIBILITIES STATEMENT**

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

Company law requires the Trustees (as Directors of LDBF for the purposes of Company Law) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Charitable Company and of 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 apply them consistently
- Observe methods and principles in the Charities SORP FRS 102
- Make judgements 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 assume that the company will continue in operation

The Trustees are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information, and to establish that the Charitable Company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Annual Reports, may differ from legislation in other jurisdictions.

## **APPOINTMENT OF AUDITORS**

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



**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**(a company limited by guarantee not having share capital)**

**ANNUAL REPORT**

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**ADMINISTRATIVE DETAILS**

**Trustees**

No Trustee had any beneficial interest in the Charitable Company during 2021. The following Trustees were in post during the year and at the date of this report:

President (ex-officio):	The Right Reverend M J Snow – Lord Bishop of Leicester
Chair:	Mr D J Palmer (appointed 18 March 2021) Mr S G Barney (resigned 25 February 2021)
Vice Chair:	Mr C J Sheldon (appointed 4 December 2021)
Archdeacons (ex officio):	The Venerable R V Worsfold - Archdeacon of Leicester The Venerable C Wood - Archdeacon of Loughborough
Elected by: Synod House of Clergy	The Reverend A R Leighton The Reverend C Taylor The Reverend N Stothers (appointed 1 November 2021)
Synod House of Laity	Mr D B Beeson Mrs M V Wang Mr C J Sheldon (appointed Vice Chair 4 December 2021) Mrs S A L Newbury (resigned 31 October 2021) Mr J C F Roberson (resigned 31 October 2021)
Bishop's Nominees	None – Two vacancies
Co-opted by the Board	Mr G Brown Mr D J Palmer (appointed Chair 18 March 2021) The Reverend C M Thomson (appointed 19 January 2021, resigned 31 October 2021)

**Senior staff and advisers**

Diocesan Chief Executive:	Jonathan Kerry
Director of Operations and Governance:	Andrew Brockbank
Director of Finance and Support Services:	Paul Stothard (appointed 19 April 2021, resigned 31 December 2021) Jim Pullen (appointed Acting Finance Director 1 January 2021 to 16 April 2021)

Registered Office:	St Martins House, 7 Peacock Lane, Leicester LE1 5PZ
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**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**(a company limited by guarantee not having share capital)**

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**Bankers:**

Barclays Bank plc,  
Dominus Way,  
Meridian Business Park,  
Leicester LE19 1RP

**Auditors:**

Haysmacintyre LLP,  
Statutory Auditors,  
10 Queen Street Place,  
London EC4R 1AG

**Solicitors:**

Latham & Co.,  
Charnwood House,  
2&4 Forest Road,  
Loughborough,  
Leicestershire LE11 3NP

Anthony Collins Solicitors LLP,  
134 Edmund Street,  
Birmingham B3 2ES

Stone King LLP,  
Boundary House  
91 Charterhouse Street  
London EC1M 6HR

**Investment Advisers:**

Savills Investment Management  
Limited,  
33 Margaret Street,  
London W1G 0JD

Charles Stanley & Co. Limited,  
25 Luke Street,  
London EC2A 4AR

Brewin Dolphin,  
1<sup>st</sup> Floor,  
Waterfront House,  
Waterfront Plaza,  
35 Station Street,  
Nottingham NG32 3DQ

CCLA Investment Management  
Limited,  
80 Cheapside,  
London EC2V 6DZ

**Glebe Agents  
and Valuers:**

Andrew Granger & Co LLP,  
44 – 46 Forest Road,  
Loughborough,  
Leicestershire LE11 3NP

Christie & Co.,  
Suite 402 Bridlesmith House,  
38 Bridlesmith Gate,  
Nottingham NG1 2GQ

**Insurance brokers:**

Cornerstone Business Insurance Limited,  
8 Princess Road West,  
Leicester LE1 6TP

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 6 - 12 within their capacity as company directors.

**BY ORDER OF THE TRUSTEES**

**D J Palmer**  
Chairman

**J W Kerry**  
Diocesan Chief Executive

**21 May 2022**

**21 May 2022**

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LEICESTER DIOCESAN BOARD OF FINANCE (THE)**

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### **Opinion**

We have audited the financial statements of Leicester Diocesan Board of Finance (The) (the 'charitable company') for the year ended 31 December 2021, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements section' of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matter on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the Strategic Report and the Directors' Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees for the financial statements**

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraud in revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates such as valuation of the investment properties.

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

#### **Use of our report**

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

**Steven Harper (Senior Statutory Auditor)**  
**For and on behalf of Haysmacintyre LLP, Statutory Auditor**  
**21 May 2022**

10 Queen Street Place  
London  
EC4R 1AG

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 31 December 2021**

		Unrestricted funds		Restricted	Endowment	Total	Total
	Note	General	Designated	Funds	Funds	funds	funds
		£'000	£'000	£'000	£'000	2021	2020
						£'000	£'000
<b>Income and endowments from</b>							(Note 30)
Donations							
Parish contributions	2a	4,000	-	-	-	<b>4,000</b>	4,157
Archbishops' Council	2b	-	-	3,665	-	<b>3,665</b>	2,790
Other donations	2c	5	-	4	-	<b>9</b>	7
Charitable activities	3	424	3	255	-	<b>682</b>	1,086
Other activities	4	482	-	-	264	<b>746</b>	468
Investments	5	118	11	117	732	<b>978</b>	958
Other	6	783	-	-	40	<b>823</b>	173
Total income and endowments		5,812	14	4,041	1,036	<b>10,903</b>	9,639
<b>Expenditure on</b>							
Raising funds	7	-	-	-	190	<b>190</b>	257
Charitable activities	8	10,235	16	316	-	<b>10,567</b>	10,615
Other	9	814	-	-	285	<b>1,099</b>	1,232
Total expenditure		11,049	16	316	475	<b>11,856</b>	12,104
<b>Net (expenditure) / income before losses and gains on investments</b>		(5,237)	(2)	3,725	561	<b>(953)</b>	(2,465)
Gain on investments		186	19	-	2,806	<b>3,011</b>	789
<b>Net (expenditure) / income</b>		(5,051)	17	3,725	3,367	<b>2,058</b>	(1,676)
<b>Transfers between funds</b>	14	5,430	8	(3,515)	(1,923)	-	-
<b>Other recognised gains:</b>							
Profit / (loss) on revaluation of fixed assets		343	-	-	-	<b>343</b>	(152)
<b>Net movement in funds</b>		722	25	210	1,444	<b>2,401</b>	(1,828)
<b>Total funds brought forward</b>		6,192	834	1,754	67,876	<b>76,656</b>	78,484
<b>Total funds carried forward</b>	20	<b>6,914</b>	<b>859</b>	<b>1,964</b>	<b>69,320</b>	<b>79,057</b>	76,656

All activities derive from continuing activities. The notes on pages 26 to 55 form part of the financial statements.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 31 December 2021**

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	<b>Total 2021 £'000</b>	<b>Total 2020 £'000</b>
Income before losses and gains on investments	9,867	8,841
Expenditure	(11,381)	(11,847)
<b>Operating deficit for the year</b>	<b>(1,514)</b>	<b>(3,006)</b>
Net profit / (loss) on investments	205	(255)
Net transfer from endowment funds	1,923	1,733
<b>Net income / (expenditure) for the year</b>	<b>614</b>	<b>(1,528)</b>
Other comprehensive income:		
Revaluation of fixed assets	343	(152)
<b>Total comprehensive income / (expenditure)</b>	<b>957</b>	<b>(1,680)</b>

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities. The notes on pages 26 to 55 form part of the financial statements.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**BALANCE SHEET**  
**At 31 December 2021**

Company Number – 00227087

	Note	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Tangible assets	15	38,635	39,374
Investments	16	41,373	40,625
		<b>80,008</b>	<b>79,999</b>
<b>CURRENT ASSETS</b>			
Stock		39	48
Debtors	17	691	897
Cash on deposit, at bank and in hand		1,965	1,057
		<b>2,695</b>	<b>2,002</b>
<b>CREDITORS: amounts falling due within one year</b>	18	<b>(1,083)</b>	<b>(5,119)</b>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<b>1,612</b>	<b>(3,117)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>81,620</b>	<b>76,882</b>
<b>CREDITORS: amounts falling due after more than one year</b>			
Pension scheme liabilities	19	(27)	(190)
Loans	19	(2,500)	-
Other creditors	19	(36)	(36)
<b>NET ASSETS</b>		<b>79,057</b>	<b>76,656</b>
<b>FUNDS</b>			
<b>Endowment funds</b>			
(Including investment revaluation reserve of £25,599k (2020: £23,719k))		69,320	67,876
<b>Restricted income funds</b>			
(Including investment revaluation reserve of £Nil (2020: £Nil))		1,964	1,754
<b>Unrestricted income funds:</b>			
<b>General funds</b>			
(Including revaluation reserve of £625k (2020: £125k))		6,914	6,192
<b>Designated funds</b>			
(Including investment revaluation reserve of £51k (2020: £37k))		859	834
<b>TOTAL FUNDS</b>	20	<b>79,057</b>	<b>76,656</b>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 21 May 2022 and signed on behalf of the Board by:

**D J Palmer - Chairman**



**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**CASH FLOW STATEMENT**  
**For the year ended 31 December 2021**

	2021	2020
	£'000	£'000
<b>Net cash outflow from operating activities</b>	<b>(3,518)</b>	<b>(2,967)</b>
<b>Cash flows from investing activities</b>		
Dividends, interest and rent from investments	978	958
Proceeds from the sale of tangible fixed assets	1,744	534
Proceeds from the sale of fixed asset investments - shares	2,546	2,203
Proceeds from the sale of fixed asset investments - Glebe	505	51
Purchase of tangible fixed assets	(271)	(178)
Purchase of fixed asset investments	(753)	(703)
<b>Net cash provided by investing activities</b>	<b>4,749</b>	<b>2,865</b>
<b>Cash flows from financing activities</b>		
Contributions to Clergy and Lay staff pension plans	(323)	(490)
<b>Net cash used in financing activities</b>	<b>(323)</b>	<b>(490)</b>
<b>Change in cash and cash equivalents in the period</b>	<b>908</b>	<b>(592)</b>
Cash and cash equivalents at 1 January	(1,443)	(851)
<b>Cash and cash equivalents at 31 December</b>	<b>(535)</b>	<b>(1,443)</b>
<b>Reconciliation of net movements in funds to net cashflow from operating activities</b>		
<b>Net movement in funds for the year ended 31 December</b>	<b>2,401</b>	<b>(1,828)</b>
<b>Adjustments for:</b>		
Depreciation charges	269	201
Dividends, interest and rent from investments	(978)	(958)
Repayment of Parish loans	24	53
Advancement of Parish loans	(6)	(21)
Profit on sale of fixed assets	(660)	(88)
(Gain) / Loss on revaluation of fixed assets	(343)	153
(Profit) / Loss on sale of fixed asset investments - shares	(83)	148
Profit on sale of fixed asset investments - Glebe	(35)	(2)
Gain on revaluation of fixed asset investments	(2,929)	(939)
Decrease / (Increase) in stock	9	(5)
Decrease in debtors	183	108
Clergy & Lay pension interest and liability adjustments	(99)	37
Decrease in related party loans	(627)	(219)
(Decrease) / Increase in creditors	(644)	393
<b>Net cash used in operating activities</b>	<b>(3,518)</b>	<b>(2,967)</b>
<b>Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	1,801	959
Notice deposits (less than 3 months)	164	98
	<b>1,965</b>	<b>1,057</b>
<b>Borrowings</b>		
Bank loans due within one year	-	(2,500)
Bank loans due after more than one year	(2,500)	-
<b>Total cash and cash equivalents</b>	<b>(535)</b>	<b>(1,443)</b>

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments which, in the main, are included at their market value at the balance sheet date, and certain tangible fixed assets which are included at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and applicable accounting standards (FRS 102). The financial statements have been prepared in UK sterling currency and rounded to the nearest £1,000.

**Going Concern**

The Trustees had prepared a 2021 budget that had a significant net operational deficit. There is a reduced budgeted deficit for 2022. These deficits can be offset by asset sales in the short term, via the Total Return release mechanism. We have sufficient assets (such as our Glebe investments) to cope in the short term. It is anticipated returning to a breakeven budget by 2027. Therefore, the Trustees consider that there is no material uncertainty regarding going concern.

The principal accounting policies are as follows;

**a) Income**

All income is included in the Statement of Financial Activities (SOFA) when the LDBF is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- i) **Parish Contributions** are recognised as income of the year in respect of which it is received, and up to 31 January of the following year.
- ii) **Income from other trading activities;**  
Housing rental receivable is recognised as income in the period to which it relates.  
Bookshop and Café sales represent goods sold and are recognised on the date of sale, over the counter. Internet sales are recognised on the date of notification.  
Conferencing and events income is recognised on the date of the associated event. Cancellation charges are recognised on the date of notification.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received, which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year end, are included in creditors to be carried forward to the following year.
- v) **Government grants (including furlough)** are recognised as income of the year to which they relate.
- vi) **Parochial fees** are recognised as income of the year to which they relate.
- vii) **Donations**, other than grants, are recognised when receivable.
- viii) **Gains on disposal of fixed assets for the LDBF's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
- ix) **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt (as the expenditure is greater) and the legal restrictions, therefore, are satisfied. It is on this basis that the expenditure is shown in the unrestricted column of the Statement of Financial Activities and is offset by the income which, initially, is shown in the restricted column, but then transferred to the unrestricted column.

**b) Expenditure**

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

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- i) **Costs of raising funds** are costs relating to the temporary renting out of parsonages, agent's costs for Glebe investment properties and management fees on investment assets.
  - ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing and supporting mission and ministry in the parishes of the Diocese, and expenditure that supports education within Church of England schools in the Diocese.
  - iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of LDBF, such grants being recognised as expenditure when the conditions attaching have been fulfilled. Grants offered subject to such conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.
  - iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated based on the proportion of the net amount spent on resourcing and support of mission and ministry.
  - v) **SMH trading and letting costs** consist of staff, cost of goods sold, and building costs charged on an accruals basis.
  - vi) **Pension contributions** relate to LDBF staff who are members of the Church Workers Pension Fund. Clergy are members of the Church of England Funded Pensions Scheme (see note 27). The pension costs, charged as resources expended, represent the LDBF's contribution payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes is accrued at current value in creditors distinguished between contributions falling due within one year and after one year.
- c) **Tangible fixed assets and depreciation**

***Freehold properties***

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

Depreciation is provided on Cathedral Gardens to write off the asset over a 10 year maintenance period as from April 2016.

***St Martins House (SMH) and St Martins Lodge (SML)***

St Martins House is valued at open market value at 31 December. SMH is divided into a fixed asset and a fixed asset investment property. 2% straight line annual depreciation on cost is provided on the fixed asset. St Martins Lodge is valued at open market value at 31 December.

***Properties subject to value linked loans***

There is one property which has been bought with the assistance of a value-linked loan from the Church Commissioners. The property and loan are carried at original cost. However, the Church Commissioners are entitled to be repaid the appropriate proportion of the value of the property when disposed. The appropriate proportion being the proportion of the loan supplied compared to the original cost of the property.

***Investment properties***

Glebe properties, which are held for investment purposes and rented out, are subject to annual revaluations and hence the properties are included at their year-end market value.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2021**

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**1. ACCOUNTING POLICIES (continued)**

***Parsonage houses***

LDBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than strict legal form. LDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house but, in the meantime, legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at cost.

**d) Other tangible fixed assets**

All capital expenditure over £500 is depreciated. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:-

Computer equipment - 50% per annum on a straight-line basis

Fixtures and fittings - 50% per annum on a straight-line basis

**e) Other accounting policies**

- i) **Fixed asset investments** are included in the Balance Sheet at market value and the gain or loss taken to the Statement of Financial Activities.
- ii) **Stock** is included at the lower of cost and net realisable value and relates to books purchased for resale to the general public.
- iii) **Leases** refer to operating leases entered into for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates.

**f) Fund balances**

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

- **Unrestricted funds** are LDBF's corporate funds and are freely available for any purpose within the Charitable Company's objects, at the discretion of LDBF. There are two types of unrestricted funds:
  - **General funds** which LDBF intends to use for the general purposes of LDBF and
  - **Designated funds** set aside out of unrestricted funds by LDBF for a purpose specified by the Trustees.
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
- **Endowment funds** are those held on trust to be retained for the benefit of the Charitable Company as a capital fund. In the case of the endowment funds administered by LDBF (Stipends Glebe Fund and Endowment Capital Funds), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. The Parsonage Houses Fund, where there is no provision for expenditure of capital, is classified as permanent endowment.

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the Charitable Company acts as Trustee and controls the management and use of the funds, are included in the Charitable Company's own financial statements as charity branches. Trusts where the Charitable Company acts merely as Custodian Trustee with no control over the management of the funds are not included in the financial statements but are summarised in note 29 to the financial statements.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**2. DONATIONS**

**2a. Parish Contributions**

All donations are collected from the parishes of the Diocese.

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Current year	4,000	-	-	-	4,000	4,147
Receipts for previous years	-	-	-	-	-	10
	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,157</u>

2020 funds are all Unrestricted General Funds

**2b. Archbishops' Council**

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Stipend support	-	-	1,935	-	1,935	1,279
Resource churches grant	-	-	752	-	752	744
BAME grant	-	-	431	-	431	299
Ordinand grants	-	-	189	-	189	253
Restructuring funding	-	-	153	-	153	150
Strategic change grant	-	-	70	-	70	-
Curate grant	-	-	42	-	42	-
Other grants	-	-	63	-	63	22
Legal cost contribution	-	-	30	-	30	43
	<u>-</u>	<u>-</u>	<u>3,665</u>	<u>-</u>	<u>3,665</u>	<u>2,790</u>

2020 funds are all Restricted Funds

**2c. Other Donations**

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	5	-	4	-	9	7
	<u>5</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>9</u>	<u>7</u>

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£'000	£'000	£'000	£'000	£'000
Donations	4	-	3	-	7
	<u>4</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>7</u>

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**3. CHARITABLE ACTIVITIES**

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	276	-	-	-	276	152
All Churches Trust grant	135	-	-	-	135	133
Player Trust grant	-	-	-	-	-	311
Tree of Life donations	-	-	77	-	77	51
Historic England grant	-	-	29	-	29	45
Course fees and other	4	-	-	-	4	5
CJRS income	-	-	149	-	149	379
Other	9	3	-	-	12	10
	<b>424</b>	<b>3</b>	<b>255</b>	<b>-</b>	<b>682</b>	<b>1,086</b>

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£'000	£'000	£'000	£'000	£'000
Statutory fees	152	-	-	-	152
All Churches Trust grant	133	-	-	-	133
Player Trust grant	-	-	311	-	311
Tree of Life donations	-	-	51	-	51
Historic England grant	-	-	45	-	45
Course fees and other	5	-	-	-	5
CJRS income	-	-	379	-	379
Other	8	2	-	-	10
	<b>298</b>	<b>2</b>	<b>786</b>	<b>-</b>	<b>1,086</b>

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	funds	funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Housing rental income	278	-	-	-	278	275
Property grants	5	-	-	-	5	9
SMLodge & New Street income	-	-	-	264	264	72
Bookshop, café and conferencing income	199	-	-	-	199	112
	<b>482</b>	<b>-</b>	<b>-</b>	<b>264</b>	<b>746</b>	<b>468</b>

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**4. OTHER TRADING ACTIVITIES (continued)**

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2020
	General £'000	Designated £'000	£'000	£'000	£'000
Housing rental income	275	-	-	-	275
Property grants	9	-	-	-	9
Redundant church sale	-	-	-	-	-
SMLodge & New Street income	-	-	-	72	72
Bookshop, café and conferencing income	112	-	-	-	112
	<u>396</u>	<u>-</u>	<u>-</u>	<u>72</u>	<u>468</u>

**5. INVESTMENT INCOME**

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Glebe rents	-	-	-	651	651	601
Listed securities	-	-	-	81	81	116
Unlisted securities	-	7	116	-	123	127
SMH rental income	118	-	-	-	118	106
Bank and other interest	-	4	1	-	5	8
	<u>118</u>	<u>11</u>	<u>117</u>	<u>732</u>	<u>978</u>	<u>958</u>

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2020
	General £'000	Designated £'000	£'000	£'000	£'000
Glebe rents	-	-	-	601	601
Listed securities	-	-	-	116	116
Unlisted securities	-	7	120	-	127
SMH rental income	106	-	-	-	106
Bank and other interest	1	5	2	-	8
	<u>107</u>	<u>12</u>	<u>122</u>	<u>717</u>	<u>958</u>

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**6. OTHER INCOME**

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Gain on parsonage sales	-	-	-	-	-	65
Gain on Glebe property sales	-	-	-	40	40	16
Gain on DBF property sales	660	-	-	-	660	88
Remeasurement of DBS pension liability	114	-	-	-	114	-
Other income	9	-	-	-	9	4
	<u>783</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>823</u>	<u>173</u>

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2020
	£'000	£'000	£'000	£'000	£'000
Gain on parsonage sales	-	-	-	65	65
Gain on Glebe property sales	-	-	-	16	16
Gain on DBF property sales	88	-	-	-	88
Remeasurement of DBS pension liability	-	-	-	-	-
Other income	4	-	-	-	4
	<u>92</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>173</u>

**7. FUND RAISING COSTS**

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Glebe agent's fees	-	-	-	50	50	47
Other Glebe costs	-	-	-	112	112	175
Investment management fees	-	-	-	28	28	35
	<u>-</u>	<u>-</u>	<u>-</u>	<u>190</u>	<u>190</u>	<u>257</u>

2020 funds are all Endowment Funds



**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**8. CHARITABLE ACTIVITIES**

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
<b>8a Contributions to Archbishops' Council</b>						
Training for Ministry	195	-	-	-	195	195
National Church Responsibilities	51	-	-	-	51	(19)
Retired clergy housing costs	72	-	-	-	72	70
	<u>318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>318</u>	<u>246</u>

2020 funds are all Unrestricted General Funds

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
<b>8b Resourcing Mission and Ministry</b>						
Parish Ministry stipends and National Insurance (NI)	3,765	-	-	-	3,765	3,931
Clergy pension contributions	950	-	-	-	950	805
Non clergy salaries, NI and pensions	459	-	-	-	459	491
Housing costs	1,190	-	-	-	1,190	955
Ordinand removal & resettlement grants	271	-	-	-	271	341
Interregna costs	19	-	-	-	19	10
Resource church grants	291	-	-	-	291	248
Other expenses	106	-	-	-	106	81
Support costs	715	-	-	-	715	801
	<u>7,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,766</u>	<u>7,663</u>

2020 funds are all Unrestricted General Funds

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
<b>8c Support for Mission and Ministry</b>						
Salaries, NI and pension costs	1,334	-	19	-	1,353	1,244
Growth fund grants	-	-	83	-	83	202
Capital fund grants	-	-	21	-	21	110
Other grants	83	11	183	-	277	340
Redundant church costs	-	-	10	-	10	70
Other costs	364	5	-	-	369	275
Support costs	214	-	-	-	214	259
	<u>1,995</u>	<u>16</u>	<u>316</u>	<u>-</u>	<u>2,327</u>	<u>2,500</u>

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

	Unrestricted funds		Restricted funds	Endowment funds	Total Funds	
	General	Designated			2020	
	£'000	£'000	£'000	£'000	£'000	
<b>Support for Mission and Ministry (continued)</b>						
Salaries, NI and pension costs	1,229	-	15	-	1,244	
Growth fund grants	-	-	202	-	202	
Capital fund grants	-	-	110	-	110	
Other grants	103	11	226	-	340	
Pioneer Development Worker costs	12				12	
Redundant church costs	-	-	70	-	70	
Other costs	262	1	-	-	263	
Support costs	259	-	-	-	259	
	<u>1,865</u>	<u>12</u>	<u>623</u>	<u>-</u>	<u>2,500</u>	
	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	General	Designated			£'000	£'000
	£'000	£'000	£'000	£'000	£'000	£'000
<b>8d Support for education</b>						
Support for church schools	156	-	-	-	156	206
	<u>156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156</u>	<u>206</u>
2020 funds are all Unrestricted General Funds						
<b>TOTAL CHARITABLE ACTIVITIES 2021</b>	<u><b>10,235</b></u>	<u><b>16</b></u>	<u><b>316</b></u>	<u><b>-</b></u>	<u><b>10,567</b></u>	<u><b>10,615</b></u>
<b>TOTAL CHARITABLE ACTIVITIES 2020</b>	<u><b>9,980</b></u>	<u><b>12</b></u>	<u><b>623</b></u>	<u><b>-</b></u>	<u><b>10,615</b></u>	
<b>9. OTHER EXPENDITURE</b>						
	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	General	Designated			£'000	£'000
	£'000	£'000	£'000	£'000	£'000	£'000
DBS / Clergy pension liability increase	-	-	-	-	-	3
Interest on pension liabilities	1	-	-	-	1	10
Remeasurement of Clergy pension Liability	14	-	-	-	14	24
SMLodge & New Street expenses	-	-	-	285	285	223
SMH trading and letting costs	799	-	-	-	799	972
	<u><b>814</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>285</b></u>	<u><b>1,099</b></u>	<u><b>1,232</b></u>
2020 funds are all Unrestricted General Funds						

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**10. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS**

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs 2021 £'000	Total costs 2020 £'000
Raising funds	190	-	-	190	257
Charitable activities:					
Contributions to Archbishops' Council	-	318	-	318	246
Resourcing Mission and Ministry	6,728	298	715	7,741	7,663
Supporting Mission and Ministry	1,732	381	214	2,327	2,500
Support for education	156	-	-	156	206
Other resources expended	1,099	-	-	1,099	1,232
	<b>9,905</b>	<b>997</b>	<b>929</b>	<b>11,831</b>	<b>12,104</b>

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs 2020 £'000
Raising funds	257	-	-	257
Charitable activities:				
Contributions to Archbishops' Council	-	246	-	246
Resourcing Mission and Ministry	6,484	378	801	7,663
Supporting Mission and Ministry	1,590	651	259	2,500
Support for education	206	-	-	206
Other resources expended	1,232	-	-	1,232
	<b>9,769</b>	<b>1,275</b>	<b>1,060</b>	<b>12,104</b>

**11. ANALYSIS OF SUPPORT COSTS**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
	General £'000	Designated £'000				
Central administration	774	-	-	-	774	895
Governance:						
Registrar and Chancellor	108	-	-	-	108	127
Audit costs:						
- External audit	27	-	-	-	27	26
- Other services	8	-	-	-	8	5
Synodical costs	12	-	-	-	12	7
	<b>929</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>929</b>	<b>1,060</b>

2020 funds are all Unrestricted General Funds

External audit costs in 2021 were £26,700 (2020: £25,500). Other auditor service costs in 2021 were £7,801 (2020: £5,199). These amounts are inclusive of UK VAT.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**12. ANALYSIS OF GRANTS MADE**

	Number	Individuals £'000	Institutions £'000	2021 Total £'000	2020 Total £'000
<b>From unrestricted funds for national Church responsibilities:</b>					
Contributions to Archbishops' Council	1	-	318	<b>318</b>	246
<b>From unrestricted funds:</b>					
Diocesan Board of Education support grants	2	-	156	<b>156</b>	205
University Chaplaincies	3	-	147	<b>147</b>	91
Resettlement and first appointment grants	50	129	-	<b>129</b>	96
Maintenance grants to Ordinands	13	119	-	<b>119</b>	214
St Philip's Centre	1	-	26	<b>26</b>	70
Trichy – Covid 19 Appeal	1	-	25	<b>25</b>	-
Leicester Cathedral share of SMH surplus	1	-	25	<b>25</b>	25
Leicester Cathedral Ministry	1	-	24	<b>24</b>	-
St Peter's Church grant for Premises Officer	1	-	11	<b>11</b>	11
Community Link grants	1	-	10	<b>10</b>	15
Ecumenical support (Churches Together)	1	-	9	<b>9</b>	9
Reader and Clergy training grants	20	7	-	<b>7</b>	4
Other grants	2	-	4	<b>4</b>	11
Holy Apostles project	-	-	-	-	32
<b>Total</b>	<b>97</b>	<b>255</b>	<b>437</b>	<b>692</b>	<b>783</b>
<b>From restricted funds for various purposes within resourcing parish ministry:</b>					
Growth fund grants	15	-	83	<b>83</b>	202
Capital fund grants	11	-	21	<b>21</b>	110
Ordinand training grants	26	170	-	<b>170</b>	226
JD Player interest	1	-	5	<b>5</b>	-
<b>Total</b>	<b>53</b>	<b>170</b>	<b>109</b>	<b>279</b>	<b>538</b>
<b>Total</b>	<b>151</b>	<b>425</b>	<b>864</b>	<b>1,289</b>	<b>1,567</b>

Leicester Cathedral (LCAT) are entitled to a proportion of the surpluses made by St Martins House (SMH). The amount of the payment is calculated based on SMH surpluses as follows;

- Up to £100k – LCAT 50%, SMH refurbishment fund 50% and LDBF general fund 0%
- Between £100k and £200k – LCAT 50%, SMH refurbishment fund 25% and LDBF general fund 25%
- Sums in excess of £200k – LCAT 25%, SMH refurbishment fund 25% and LDBF general fund 50%

LCAT was entitled to Nil (2020: Nil) for the year to 31<sup>st</sup> December 2021 as SMH made a deficit before capital items in the year. From 1<sup>st</sup> January 2020, LDBF has agreed to provide an annual grant of up to £25,000 to LCAT where the share of the SMH surplus, as calculated above, does not attain £25,000.

From 1<sup>st</sup> January 2022, LCAT's entitlement to SMH surpluses is being cancelled and replaced by the payment of an annual grant of £25,000 (subject to annual review) from LDBF.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**13. STAFF COSTS**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Employee costs during the year were as follows:		
Wages and salaries	<b>1,772</b>	2,091
National Insurance contributions	<b>165</b>	186
Pension costs	<b>216</b>	237
	<b>2,153</b>	2,514

The average number of persons employed by LDBF during the year:	<b>2021</b>	2020
	<b>Number</b>	Number
SMH Conference Centre	<b>28.0</b>	41.0
Administration and financial management	<b>8.3</b>	9.8
Property	<b>3.0</b>	4.0
Discipleship, Ministry & Stewardship	<b>36.0</b>	36.7
Safeguarding & inclusion	<b>5.1</b>	5.3
Parochial lay staff	<b>2.0</b>	3.9
	<b>82.4</b>	100.7

The average number of persons employed by LDBF during the year based on full-time equivalents:	<b>2021</b>	2020
	<b>Number</b>	Number
SMH Conference Centre	<b>19.8</b>	26.8
Administration and financial management	<b>7.6</b>	8.8
Property	<b>2.0</b>	2.3
Discipleship & Ministry, Stewardship	<b>28.5</b>	29.1
Safeguarding and inclusion	<b>3.7</b>	4.2
Parochial lay staff	<b>1.5</b>	2.7
	<b>63.1</b>	73.9

	<b>2021</b>	2020
	<b>Number</b>	Number
The numbers of staff whose emoluments amounted to more than £60,000 (including benefits in kind but excluding pension contributions and NIC's) were as follows:		
£60,001 - £70,000	<b>1</b>	-
£70,001 - £80,000	<b>-</b>	1
£80,001 - £90,000	<b>1</b>	1

Pension payments of £14,341 (2020: £15,101) were made for these employees.

**Remuneration of key management personnel**

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the diocese. During 2021 they were:

Diocesan Chief Executive	Jonathan Kerry
Director of Operations and Governance	Andrew Brockbank
Director of Finance and Support Services	Paul Stothard

Remuneration (excluding NIC's) and pensions for these 3 employees amounted to £192,322 (2020: £233,883).

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

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**13. STAFF COSTS (continued)**

**Trustees' emoluments**

No Trustee received remuneration for services as a Trustee. The Trustees received travel and out of pocket expenses, totalling £3,818 (2020: £4,443) in respect of General Synod duties, duties as a Trustee and also in their diocesan role as Archdeacon or Area / Rural Dean. The majority of expenses were paid for Trustees' diocesan roles; the amount paid for as a Trustee was insignificant.

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

	<b>Stipend</b>	<b>Housing</b>
The Venerable RV Worsfold	Yes	Yes
The Venerable C Wood	Yes	Yes
The Reverend C M Thomson	Yes	Yes
The Reverend C Taylor	Yes	Yes

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

The LDBF paid an average of 127 (2020: 130) stipendiary clergy as office-holders holding parochial or diocesan appointments in the Diocese, and their costs were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Stipends	<b>3,785</b>	3,798
National Insurance contributions	<b>334</b>	349
Pension costs	<b>1,118</b>	935
Housing costs	<b>91</b>	92
	<b><u>5,328</u></b>	<b><u>5,174</u></b>

The annual rate of stipend, funded by the LDBF, paid to the two Archdeacons in 2021 was in the range £35,000 - £40,000 (2020: range £35,000 – £40,000) and other clergy who were Trustees were paid in the range £0 - £30,000 (2020: range: £0 – £30,000).

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

14. ANALYSIS OF TRANSFERS BETWEEN FUNDS	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
<b>2021</b>				
Church Commissioners' and Historic England grant income	3,583	-	(3,583)	-
UK Government grants including furlough	149	-	(149)	-
Glebe rental income, net of costs, used for general purposes	520	-	-	(520)
Stipend Glebe Unapplied Total Return transfer	1,200	-	-	(1,200)
General fund transfer to Growth fund	(99)	-	99	-
Endowment income used to fund stipends	98	-	(98)	-
General fund transfer to Capital fund	(21)	-	21	-
Restricted income used to fund retired clergy grants	-	8	(8)	-
Property fund transfers	-	-	(105)	105
Endowment fund investment sale proceeds	-	-	308	(308)
	<b>5,430</b>	<b>8</b>	<b>(3,515)</b>	<b>(1,923)</b>
<b>2020</b>				
Church Commissioners' and Historic England grant income	2,632	-	(2,632)	-
UK Government grants including furlough	379	-	(379)	-
Glebe rental income, net of costs, used for general purposes	460	-	-	(460)
Stipend Glebe Unapplied Total Return transfer	1,200	-	-	(1,200)
General fund transfer to Growth fund	(214)	-	214	-
Endowment income used to fund stipends	115	-	(115)	-
General fund transfer to Capital fund	(110)	-	110	-
Restricted income used to fund retired clergy grants	-	9	(9)	-
Property fund transfers	-	-	18	(18)
Endowment fund investment sale proceeds	-	-	-	-
	<b>4,462</b>	<b>9</b>	<b>(2,793)</b>	<b>(1,678)</b>

**Church Commissioners' grant income** - Within restricted funds there is income received from The Archbishops' Council of £2.09m (2020: £1.28m) to fund the payment of stipends, £752k (2020: £744k) to fund the Resource Church project, £189k (2020: £253k) to fund Ordinands, £431k (2020: £299k) to fund the BAME project, and £70k (2020: £nil) to fund The Shaped by God transition project from unrestricted funds.

**Stipends Glebe rental income** - This income is rental income from endowment properties. The income is used to fund the payment of stipends from unrestricted funds.

**Stipends Glebe Unapplied Total Return transfer** – This transfer has been made from the Unapplied Total Return fund and is for general purposes. The Unapplied Total Return Fund is part of the Stipends Glebe endowment fund.

**Property fund transfers** – relates to £105k of capital improvements to parsonages.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**15. TANGIBLE FIXED ASSETS**

	<b>SMH</b>	<b>Parsonage</b>	<b>DBF</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>houses</b>	<b>properties</b>	<b>equipment</b>	<b>£'000</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Cost or valuation</b>					
<b>At 1 January 2021</b>	<b>2,991</b>	<b>20,368</b>	<b>16,372</b>	<b>834</b>	<b>40,565</b>
Additions	-	105	58	108	271
Transfers	-	-	-	-	-
Disposals	-	-	(1,084)	-	(1,084)
Revaluation	264	-	-	-	264
<b>At 31 December 2021</b>	<b>3,255</b>	<b>20,473</b>	<b>15,346</b>	<b>942</b>	<b>40,016</b>
<b>Depreciation</b>					
At 1 January 2021	-	-	432	759	1,191
Disposals	-	-	-	-	-
Charge for the year	79	-	91	99	269
Revaluation	(79)	-	-	-	(79)
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>523</b>	<b>858</b>	<b>1,381</b>
<b>Net Book Value</b>					
<b>At 31 December 2021</b>	<b>3,255</b>	<b>20,473</b>	<b>14,823</b>	<b>84</b>	<b>38,635</b>
At 1 January 2021	2,991	20,368	15,940	75	39,374

All of the properties in the Balance Sheet are freehold and are vested in the LDBF. One property has been purchased with the help of a value-linked loan from the Church Commissioners. When the property is disposed, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of the property included above is £36,323 (2020: £36,323). All properties at 31 December 2021 and 31 December 2020 are valued at cost. All property repairs are charged as expenditure.

As at 31 December 2021, St Martins House (SMH) has been valued by Andrew Granger & Co. LLP, Chartered Surveyors. The property was valued at £4,425,000 (2020: £3,975,000) on an open market basis. £3,254,996 (2020: £2,991,316) of the SMH value was deemed to represent a fixed asset, the balance of £1,170,004 (2020: £983,684) was deemed to represent a fixed asset investment (see note 16 below). If SMH had not been revalued, the fixed asset element would have been included at its historical cost of £2,760,000 less accumulated depreciation of £407,213.



**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**16. FIXED ASSETS INVESTMENTS**

	At 1 January 2021 £'000	Additions £'000	Disposals £'000	Change in Market Value £'000	At 31 December 2021 £'000
<b>Unrestricted funds</b>					
Listed investments	-	-	-	-	-
Unlisted investments	-	-	-	-	-
Other	984	-	-	186	<b>1,170</b>
<b>Total</b>	<b>984</b>	<b>-</b>	<b>-</b>	<b>186</b>	<b>1,170</b>
 Unlisted investments	 199	 -	 (33)	 19	 <b>185</b>
<b>Endowment funds</b>					
Investment properties	31,887	25	(470)	2,021	<b>33,463</b>
Listed investments	4,429	728	(1,805)	446	<b>3,798</b>
Unlisted investments	3,126	-	(626)	257	<b>2,757</b>
	<b>39,442</b>	<b>753</b>	<b>(2,901)</b>	<b>2,724</b>	<b>40,018</b>
<b>Total</b>	<b>40,625</b>	<b>753</b>	<b>(2,934)</b>	<b>2,929</b>	<b>41,373</b>

The valuation of investments at 31 December 2021 was carried out by the Board's Investment Advisors as shown in the Administrative Details on page 18.

Included in investment properties is St Martins Lodge, which is a property purchased during 2015 costing a total of £4,475,057 (including subsequent refurbishment costs). St Martins Lodge has been developed into a high quality, 28 bed overnight accommodation facility.

As at 31 December 2021, St Martins Lodge was valued by Christie & Co. at £2,300,000 (2020: £2,140,000) on an open market basis.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**17. DEBTORS (continued)**

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Due within one year</b>		
Trade debtors	<b>25</b>	-
Parish contribution	<b>146</b>	212
Loans to parishes	<b>46</b>	46
Amounts owed by related parties	<b>28</b>	33
Other debtors	<b>150</b>	176
Prepayments and accrued income	<b>208</b>	324
	<b>603</b>	791
<b>Due after more than one year</b>		
Loans to parishes	<b>83</b>	101
Value linked loan	<b>5</b>	5
<b>Total debtors</b>	<b>691</b>	897

<b>The loans above are represented by:</b>	<b>Due within one year £'000</b>	<b>Due after one year £'000</b>	<b>Total £'000</b>
<b>Unsecured loans</b>			
Loans to parishes	46	83	129
<b>Total unsecured loans</b>	<b>46</b>	<b>83</b>	<b>129</b>
<b>Secured loans</b>			
Trustees of Launde Abbey	-	865	865
Provision on Launde Abbey loan	-	(865)	(865)
Value linked loan on retired clergy housing	-	5	5
<b>Total secured loans</b>	<b>-</b>	<b>5</b>	<b>5</b>
<b>Total loans outstanding</b>	<b>46</b>	<b>88</b>	<b>134</b>

**Unsecured loans**

The Parish loans are generally for one off cashflow issues with varying periods of repayment and attract a commercial rate of interest, currently being 3% per annum.

**Secured loans**

There is a loan to the Trustees of Launde Abbey for £865,141, which has been fully provided for (which includes accrued interest). On 31<sup>st</sup> December 2018, an agreement was reached whereby the loan was secured as a first charge against the total value of Launde Abbey. On any disposal of Launde Abbey in its entirety, LDBF would recover the greater of 21.89% of disposal proceeds - based on the valuation of the property at 9 April 2015, being £3,950,000 - or £865,141. In the event of a part disposal, LDBF would receive £865,141 on the first part disposal and then be entitled to 21.89% of total part disposal proceeds where there are future part disposals, where the total of all part disposal proceeds exceed £865,141. Any excess of funds paid to LDBF over £865,141 is deemed to be a premium on the loan.

LDBF is the Custodian Trustee of Launde Abbey which is the Diocesan retreat house.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

<b>18. CREDITORS: amounts falling due within one year</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Trade creditors	205	242
Bank loan	-	2,500
Taxation and social security	84	57
Other creditors	172	801
Accruals	221	189
Deferred income	128	165
Clergy pension scheme liabilities (see note 27)	231	398
Lay workers' defined benefit pension scheme liabilities (see note 27)	-	92
Amounts owed to related parties	42	675
<b>Total</b>	<b>1,083</b>	<b>5,119</b>

<b>19. CREDITORS: amounts falling due after more than one year</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Bank loan	2,500	-
Clergy pension scheme liabilities (see note 27)	27	76
Lay workers' defined benefit pension scheme liabilities (see note 27)	-	114
Church Commissioners' value-linked loan	36	36
<b>Total</b>	<b>2,563</b>	<b>226</b>

The £2,500,000 bank loan is a revolving loan provided by Barclays Bank Plc during 2021. Interest is payable on the loan quarterly in arrears at the prevailing Bank of England base rate (which can never be less than zero) plus a margin of 2.25%. The loan has been secured on five LDBF properties and can be repaid in full, or in part (with the part amount being agreed with Barclays Bank Plc), at any time by giving 7 days' notice. The revolving facility is due for full repayment on 20<sup>th</sup> September 2023.

The value-linked loan (VLL) is secured by guarantee against a property. The loan is repayable, when the property is sold, in proportion to the sale value to the original percentage of the cost of the house originally loaned. The proportion of the loan on this property is 94.74%. At 31 December 2021, the estimated value of the property was £185,600 which is itself a 15% discount to the Nationwide House Price Index. The amount repayable to the Church Commissioners based on the discounted valuation would be £175,832. At 31 December 2021 the Board had no intention of disposing of the property.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**20. SUMMARY OF FUND MOVEMENTS**

	Balances at 1 January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and (Losses) £'000	Balances at 31 December 2021 £'000
<b>UNRESTRICTED FUNDS</b>						
General Funds	6,192	5,812	(11,049)	5,430	529	6,914
<b>Designated funds</b>						
Retired Clergy Fund	163	5	(16)	8	14	174
Church Extension Fund	561	4	-	-	-	565
Workplace Chaplaincy Fund	2	-	-	-	-	2
Archdeacons' Discretionary Fund	108	5	-	-	5	118
Total Designated Funds	834	14	(16)	8	19	859
<b>Total unrestricted funds</b>	7,026	5,826	(11,065)	5,438	548	7,773
<b>RESTRICTED FUNDS</b>						
Pastoral Fund	1,408	-	(10)	(105)	-	1,293
Church Commissioners', Historic England and other grant income	-	3,582	-	(3,582)	-	-
UK Government grants	-	149	-	(149)	-	-
Endowment Fund	331	117	(13)	202	-	637
Growth Fund	-	4	(102)	98	-	-
Bishop Jeune Ordinands' Fund	1	-	-	-	-	1
The Alan Everitt Fund	2	-	-	-	-	2
Diocesan Capital Fund	-	-	(21)	21	-	-
Ordinand Training Fund	12	189	(170)	-	-	31
CofE Stipend Trust Reserve	-	-	-	-	-	-
<b>Total Restricted Funds</b>	1,754	4,041	(316)	(3,515)	-	1,964
<b>ENDOWMENT FUNDS</b>						
<b>Permanent</b>						
Parsonage Houses	20,368	-	-	105	-	20,473
<b>Expendable</b>						
Stipends Glebe (see note 22)	45,941	1,036	(475)	(1,720)	2,680	47,462
Other Endowment Capital	1,567	-	-	(308)	126	1,385
<b>Total Endowment Funds</b>	67,876	1,036	(475)	(1,923)	2,806	69,320
<b>Total funds</b>	<b>76,656</b>	<b>10,903</b>	<b>(11,856)</b>	<b>-</b>	<b>3,354</b>	<b>79,057</b>

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**20. SUMMARY OF FUND MOVEMENTS (continued)**

	Balances at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2020 £'000
<b>UNRESTRICTED FUNDS</b>						
General Funds	8,076	5,126	(11,212)	4,606	(404)	6,192
Designated funds						
Retired Clergy Fund	161	5	(11)	9	(1)	163
Church Extension Fund	556	5	-	-	-	561
Workplace Chaplaincy Fund	2	-	-	-	-	2
Archdeacons' Discretionary Fund	107	4	(1)	-	(2)	108
Total Designated Funds	826	14	(12)	9	(3)	834
Total unrestricted funds	8,902	5,140	(11,224)	4,615	(407)	7,026
<b>RESTRICTED FUNDS</b>						
Pastoral Fund	1,460	-	(70)	18	-	1,408
Church Commissioners', Historic England and other grant income	-	2,632	-	(2,632)	-	-
UK Government grants	-	379	-	(379)	-	-
Endowment Fund	110	290	-	(69)	-	331
Growth Fund	-	147	(217)	70	-	-
Bishop Jeune Ordinands' Fund	1	-	-	-	-	1
The Alan Everitt Fund	2	-	-	-	-	2
Diocesan Capital Fund	-	-	(110)	110	-	-
Ordinand Training Fund	(15)	253	(226)	-	-	12
CofE Stipend Trust Reserve	-	-	-	-	-	-
Total Restricted Funds	1,558	3,701	(623)	(2,882)	-	1,754
<b>ENDOWMENT FUNDS</b>						
Permanent						
Parsonage Houses	20,321	65	-	(18)	-	20,368
Expendable						
Stipends Glebe (see note 22)	46,039	733	(257)	(1,660)	1,086	45,941
Other Endowment Capital	1,664	-	-	(55)	(42)	1,567
Total Endowment Funds	68,024	798	(257)	(1,733)	1,044	67,876
Total funds	78,484	9,639	(12,104)	-	637	76,656

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

<b>21. SUMMARY OF ASSETS BY FUND</b>	<b>Fixed assets Tangible £'000</b>	<b>Investments £'000</b>	<b>Net Current Assets / (Liabilities) £'000</b>	<b>Total Assets £'000</b>
<b>Unrestricted funds – General</b>	18,162	1,170	(12,418)	6,914
<b>Unrestricted - Designated</b>				
Retired Clergy / Clergy widows	-	133	41	174
Church Extension Fund	-	-	565	565
Workplace Chaplaincy	-	-	2	2
Archdeacons' Discretionary Fund	-	52	66	118
	-	185	674	859
<b>Restricted</b>				
Pastoral Fund	-	-	1,293	1,293
Church Commissioners' Fund	-	-	-	-
<b>Endowment Funds:</b>				
Drew Trust Income Fund	-	-	60	60
Horwood Robinson Income Fund	-	-	58	58
CE Huston Income Fund	-	-	161	161
D Huston Income Fund	-	-	150	150
Clarke Income Fund	-	-	-	-
Fry Income Fund	-	-	4	4
Chippington Income Fund	-	-	31	31
Clergy Stipend Endowment Income	-	-	6	6
Clergy Stipend Income	-	-	-	-
JD Player Memorial Fund	-	-	168	168
Diocesan Growth Fund	-	-	-	-
Bishop Jeune Ordinands' Fund	-	-	-	-
Alan Everitt Memorial Fund	-	-	2	2
Diocesan Capital Fund	-	-	-	-
Ordinand Training Fund	-	-	31	31
CofE Stipend Trust Reserve	-	-	-	-
	-	-	1,964	1,964
<b>Endowment Expendable</b>				
Stipends Glebe Fund (see note 22)	-	38,633	8,829	47,462
<b>Endowment Capital Funds:</b>				
Drew Trust Investment Fund	-	219	-	219
Horwood Robinson Investment Fund	-	213	-	213
CE Huston Investment Fund	-	644	-	644
D Huston Investment Fund	-	159	-	159
Clarke Investment Fund	-	1	-	1
Fry Investment Fund	-	13	-	13
Chippington Investment Fund	-	114	-	114
Clergy Stipend Investment Fund	-	22	-	22
<b>Permanent</b>				
Parsonage Houses Fund	20,473	-	-	20,473
	20,473	40,018	8,829	69,320
<b>Total funds</b>	<b>38,635</b>	<b>41,373</b>	<b>(951)</b>	<b>79,057</b>

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**22. ANALYSIS OF STIPENDS GLEBE ENDOWMENT FUND**

With effect from 1<sup>st</sup> January 2019, the company adopted a Total Return strategy to its Stipends Glebe fund. An exercise was carried out to determine the Endowment fund value and the unapplied Total Return value applicable to the Stipends Glebe Fund. In this regard, records and information, including those held at our Land Agents Andrew Granger & Co. were used to determine the initial value of the endowment. Subsequently, the official Retail Price Index ("RPI") was used to obtain the value of the original endowment as at 1<sup>st</sup> January 2019; The value calculated was £29,048,439. The difference between this value and the balance sheet value, being £46,395,636, at that date was deemed to be the unapplied total return available for transfer to general funds, i.e. £17,347,197.

During 2021, there were income and investment gains in the period of £3,240,882 (2020: £1,562,083). £2,268,431 (2020: £356,234) of these gains were transferred back to the endowment capital fund as recognition of the increase in value of the endowment as measured by RPI over 2021. In addition, there were transfers out of Unapplied Return to the General Fund totalling £1,720,047 (2020: £1,659,954); of this £520,047 (2020: £459,954) was used to fund stipends. The balance as at 31 December 2021 was £15,148,286 (2020: £15,895,883).

	<b>Endowment: Stipends Glebe £'000</b>	<b>Unapplied Total Return £'000</b>	<b>Total £'000</b>
<b>As at 1 January 2021</b>	<b>30,045</b>	<b>15,896</b>	<b>45,941</b>
<b>Movements in the reporting period</b>			
Investment income: Glebe rents and dividends	-	996	996
Investment returns: Realised and unrealised gains / (losses) on shares and the Glebe portfolio	-	2,721	2,721
Less: Investment management costs	-	(476)	(476)
<b>Total movements in the reporting year</b>	<b>-</b>	<b>3,241</b>	<b>3,241</b>
<b>Unapplied Total Return allocated in Income in the year</b>	<b>-</b>	<b>(1,720)</b>	<b>(1,720)</b>
<b>Allocation to capital</b>	<b>2,268</b>	<b>(2,268)</b>	<b>-</b>
<b>Net movements in the reporting year</b>	<b>2,268</b>	<b>(747)</b>	<b>1,521</b>
<b>As at 31 December 2021</b>	<b>32,313</b>	<b>15,149</b>	<b>47,462</b>

## **23. DESCRIPTION OF FUNDS**

<b>GENERAL FUNDS</b>	General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.
<b>DESIGNATED FUNDS</b>	Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes below.
<b>RESTRICTED FUNDS</b>	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.
<b>ENDOWMENT FUNDS</b>	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.

### **Designated funds**

**The Retired Clergy Fund** represents funds set aside for the benefit of retired clergy and their spouses, including those widowed, divorced or separated.

**The Church Extension Fund** represents funds put aside over a number of years by the Board to give loans to Parochial and District Church Councils to help with extensions, improvements and repairs to church buildings.

**Workplace Chaplaincy fund** represents funds to support people in workplace environments by offering confidential and independent support on a range of issues.

**The Archdeacons Discretionary Fund** is used by the Archdeacons to pay grants to needy clergy and their families within the Diocese.

### **Restricted funds**

**The Pastoral Fund** is a capital and income fund where both may be expended. It may be used for a variety of purposes except for employment costs. It is the Board's policy to use these funds primarily for the purchase of and improvement to parsonage houses.

Prior to 2007 the balance included funds of £281,989 held by the Church Commissioners from the sale of parsonage houses which could not be released for other uses until such time as new pastoral schemes for the parishes involved had become operative and the appropriate PCC consents to the funds being released.

In 2007 these funds were released to the Diocese but had to be ring-fenced for the same reason. £286,530 including accumulated interest was received by the Diocese, a small amount of which was immediately expendable but the remainder placed in a separate fund in relation to one parish. At 31 December 2021 this fund stood at £313,309 (2020: £313,308) and is included in the Pastoral Fund balance.

**Restricted Income from the Church Commissioners** is received from them to support Stipends and Clergy Pension Costs. Income is transferred to the General Fund to be applied against payment of such costs.

**Endowment Income Funds** represent accumulated income and income arising from endowment funds that has not yet been expended.

**The Diocesan Growth Fund** was formerly known as the **Church Commissioners' Mission Fund** and represents additional funds given to the Board by the Church Commissioners that have arisen as a result of better returns on their investment assets.



**LEICESTER DIOCESAN BOARD OF FINANCE (THE)  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2021**

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**23. DESCRIPTION OF FUNDS (continued)**

**Restricted funds (continued)**

**The Bishop Jeune Ordinands' Fund** arose from accumulated income received from the Diocese of Peterborough arising from a fund set up by the late Bishop Jeune in 1868. It is available to be used for the benefit of Ordinands.

**The Alan Everitt Memorial Fund**, which commenced in 2010, is specifically for drama and dance based projects that promote the self-esteem of young people in a Christian environment.

**The Diocesan Capital Fund** was set up in 2013 to support churches in the Diocese with grants for capital projects.

**The CofE Stipend Trust Reserve** provides discretionary grants to Ordinands.

**The Ordinand Training Fund** provides discretionary training grants to Ordinands.

**Endowment funds**

**The Stipends Glebe Fund** represents the value of property and investments held under the Endowments and Glebe Measure 1976, invested to produce income to be applied for the augmentation of stipends.

**Endowment Capital Funds** are funds, the majority of which are, for the augmentation of stipends.

**The Parsonage Houses Fund** represents the deemed value of the parsonage houses calculated as set out in note 1c to these financial statements.

**24. CAPITAL COMMITMENTS**

At 31 December 2021 the LDBF had nil (2020: nil) capital expenditure commitments authorised but not contracted for, and contracted for but not yet due of nil (2020: £22,725).

**25. OPERATING LEASES**

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

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<b>Non land &amp; buildings operating leases where the lease expires:</b>		
Within one year of the balance sheet date	-	8
In the second to fifth years inclusive of the balance sheet date	<b>14</b>	11
More than five years from balance sheet date	-	-
	<u><u>          </u></u>	<u><u>          </u></u>

**26. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES**

There were no post balance sheet events or contingent liabilities.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

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**27. PENSIONS**

The LDBF participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the LDBF and the other participating employers. One of these is the **Church of England Funded Pensions Scheme ("CEFPS")** for stipendiary clergy. The other is the **Church Workers Pension Fund ("CWPF")**. The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

These schemes are multi-employer last man standing defined benefit pension schemes, for which the LDBF 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. For multi-employer schemes where this is the case, paragraph 28.11 of FRS102 requires the LDBF to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for the LDBF. A valuation of each scheme is carried out once every three years.

**Church of England Funded Pension Scheme**

With effect from 1 January 1998, diocesan clergy became members of the Church of England Funded Pensions Scheme. This defined benefit scheme provides benefits based on the National Minimum Stipend in the year before their date of retirement and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Benefits are currently being accrued on the basis of half of the National Minimum Stipend being paid as the normal pension on reaching the age of 68 on completion of maximum service of 41.5 years, or 1.25 times this amount for archdeacons, plus a lump sum of three times the pension based on the previous year's National Minimum Stipend payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 will be provided for by the Church Commissioners under the previous arrangements.

LDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. At the end of the year the Scheme was paying contributions for 136 members (2020: 141) of the scheme out of a total membership of approximately 8,500 active members. This scheme is administered by the Church of England Pensions Board which holds the assets of the schemes separately from those of the employers.

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

This scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers, and this means that contributions are accounted for as if the Scheme were a defined contribution scheme. There were pension costs charged to the Statement of Financial Activities in the year of £1,117,886 (2020: £935,380) which were contributions payable towards benefits and expenses accrued in that year, plus the figures highlighted in the table on page 47 as being recognised in the Statement of Financial Activities (an overall £15,000 charge), giving a total charge of £1,132,886 for 2021 (2020: charge of £966,380).

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

- An average discount rate of 3.2%;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the 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% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place whereby recovery contributions were planned at 11.9% of pensionable stipends until December 2025. However, at 31 December 2019 and 31 December 2020, the deficit recovery contributions were set at 11.9% for 2019 and 2020 reducing to 7.1% of pensionable stipends for the period 1 January 2021 to 31 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. The movement in the balance sheet liability over 2020 and 2021 is set out in the table below.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**27. PENSIONS (continued)**

**Church of England Funded Pension Scheme (continued)**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Balance sheet liability as at 1 January	<b>474</b>	841
Contributions paid	<b>(231)</b>	(398)
Interest cost (recognised in the SOFA)	<b>1</b>	7
Remaining change to the balance sheet liability (recognised in SOFA)	<b>14</b>	24
	<hr/>	<hr/>
Balance sheet liability as at 31 December	<b>258</b>	474
	<hr/>	<hr/>

The remaining change to the balance sheet liability comprises changes in the agreed deficit recovery plan and changes in discount rates and assumptions between year ends.

The liability represents the present value of the deficit contributions agreed as at 31 December 2021, and has been valued using the following assumptions. In general, these are set by reference to the duration of the deficit recovery plan payments, but as at 31 December 2021, under accounting rules, the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

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

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

**Church Workers Pension Fund – Defined Benefits Scheme**

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

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

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

The Scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SOFA are the contributions payable for the year towards benefits and expenses accrued in that year being £75,967 for 2021 (2020: £67,107) offset by the reduction on the balance sheet liability of £114,000 (2020: £6,000 charge) in relation to the Scheme deficit highlighted in the table below and recognised in the SOFA giving a net credit of £38,033 for 2021 (2020: £73,107 charge).

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

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**27. PENSIONS (continued)**

**Church Workers Pension Fund – Defined Benefits Scheme (continued)**

A valuation of the Scheme is carried out once every three years. The most recent 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 Pool. This increased the employer contributions that would otherwise have been payable. The overall deficit in the Scheme was £11.3m.

The next actuarial valuation is due at 31 December 2022.

Following the valuation, LDBF has entered into an agreement with the CWPF to pay a contribution rate of 30.8% of pensionable salary and expenses of £7,300 per year. In addition, deficit payments of £92,154 per year have been agreed for 5 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within these financial statements.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. A reconciliation of the balance sheet liability is set out in the table below.

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Balance sheet liability as at 1 January	<b>206</b>	292
Contributions paid	<b>(92)</b>	(92)
Interest cost (recognised in the SOFA)	-	3
Remaining change to the balance sheet liability (recognised in the SOFA)	<b>(114)</b>	3
	<hr/>	<hr/>
Balance sheet liability as at 31 December	<b>-</b>	206
	<hr/>	<hr/>

The remaining change to the balance sheet liability comprises changes in the agreed recovery plan and changes in discount rates between year ends.

The balance sheet liability represents the present value of the deficit contributions agreed as at 31 December 2021, and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments;

	<b>December 2021</b>	<b>December 2020</b>	<b>December 2019</b>
Discount rate (p.a.)	0.0 %	0.3%	1.2%

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

**Church Workers Pension Fund – Pension Builder Scheme**

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

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections; a deferred annuity section known as **Pension Builder Classic** and a cash balance section known as **Pension Builder 2014**.

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

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

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2021**

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**27. PENSIONS (continued)**

**Church Workers Pension Fund – Pension Builder Scheme (continued)**

**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 before retirement depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced from age 65.

There is no subdivision of assets between employers in either 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 that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are the contributions payable and were £108,991 (2020: £120,462).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2019. The next valuation is due at 31 December 2022.

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Pensions 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 this time.

For the Pension Builder 2014 section, the 2019 valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at this time.

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

**28. RELATED PARTY TRANSACTIONS**

As noted in the Trustees' Report the Board is related to the Leicester Diocesan Board of Education (LDBE), The Diocese of Leicester Academies Trust (DLAT), the University Chaplaincies at the three universities in the Diocese of Leicester, Leicester Cathedral Chapter (LCC), Launde Abbey Trustees (LAT), St Philips Centre (SPC), Bishop's Lodge (BL), Coventry Diocesan Board of Finance (The) (CDBF), Together Leicester (ToL), and Leicester City of Sanctuary (LCOS). Details of grants made to these bodies are given in note 12 of the financial statements.

During 2021, LDBF recharged LCC £136,669 (2020: £84,573), of which £26,395 (2020: £22,368) were salaries or a stipend. Conversely, LCC recharged LDBF £24,013 being housing costs for a shared clergy resource (2020: £665).

During 2021, LDBF recharged LDBE £21,418 (2020: £94,640), of which £8,239 (2020: £79,106) were salaries. Conversely, LDBE recharged LDBF £9,199 (2020: £32,679) all of which (2020: £20,775) was interest on monies loaned.

During 2021, LAT recharged LDBF £25,924 (2020: £41,610) of which £9,526 (2020: £15,130) were salaries.

During 2021, LDBF recharged CDBF £65,768 (2020: £93,799), of which £54,323 (2020: £77,407) were salaries. Conversely, CDBF recharged LDBF £14,670 (2020: £29,263).

During 2021, SPC recharged LDBF £17,945 (2020: £41,720), of which £17,825 (2020: £41,440) were salaries and pension costs.

During 2021, LDBF recharged ToL £32,480 (2020: £39,939), of which £32,068 (2020: £38,340) were salary costs.

During 2021, LDBF recharged LCOS £53,055 (2020: £32,591), all of which (2020: £32,490) were salary costs.

There were no other related party transactions in the current or previous accounting period.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**28. RELATED PARTY TRANSACTIONS (continued)**

At the end of the year, the following amounts, all of which are included in debtors or creditors as appropriate, were receivable / payable by the Board in respect of related parties:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<b>Amounts receivable / (payable) by the Board</b>		
Leicester Diocesan Board of Education	<b>(14)</b>	(658)
Coventry Diocesan Board of Finance (The)	<b>9</b>	(2)
Leicester Cathedral Chapter	<b>(16)</b>	20
Launde Abbey Trustees	<b>-</b>	(2)
St Philips Centre	<b>(1)</b>	-
Leicester City of Sanctuary	<b>5</b>	-

**29. FUNDS HELD AS CUSTODIAN TRUSTEE**

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

	<b>2021</b>	2020
	<b>£'000</b>	£'000
CBF Church of England Investment Fund - income shares	<b>1,124</b>	983
CBF Church of England Deposit Fund	<b>771</b>	768
Other common investment fund holdings	<b>517</b>	456
Direct holdings in UK equities	<b>242</b>	234
CBF Church of England Fixed Interest Securities Fund – income shares	<b>48</b>	51
Cash at bank	<b>15</b>	3
<b>Total assets held as Custodian Trustee</b>	<b><u>2,717</u></b>	<u>2,495</u>

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**30. PRIOR YEAR COMPARATIVE SOFA**

	<b>Unrestricted funds</b>		<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total funds 2020</b>
	<b>General £'000</b>	<b>Designated £'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income and endowments from</b>					
Donations					
Parish Contributions	4,157	-	-	-	<b>4,157</b>
Archbishops' Council	-	-	2,790	-	<b>2,790</b>
Other donations	4	-	3	-	<b>7</b>
Charitable activities	298	2	786	-	<b>1,086</b>
Other activities	468	-	-	-	<b>468</b>
Investments	107	12	122	717	<b>958</b>
Other	92	-	-	81	<b>173</b>
<b>Total income and endowments</b>	<b>5,126</b>	<b>14</b>	<b>3,701</b>	<b>798</b>	<b>9,639</b>
<b>Expenditure on</b>					
Raising funds	-	-	-	257	<b>257</b>
Charitable activities	9,980	12	623	-	<b>10,615</b>
Other	1,232	-	-	-	<b>1,232</b>
<b>Total expenditure</b>	<b>11,212</b>	<b>12</b>	<b>623</b>	<b>257</b>	<b>12,104</b>
<b>Net (expenditure) / income before losses and gains on investments</b>	<b>(6,086)</b>	<b>2</b>	<b>3,078</b>	<b>541</b>	<b>(2,465)</b>
(loss) / Gain on investments	(252)	(3)	-	1,044	<b>789</b>
<b>Net(expenditure) / income</b>	<b>(6,338)</b>	<b>(1)</b>	<b>3,078</b>	<b>1,585</b>	<b>(1,676)</b>
<b>Transfers between funds</b>	<b>4,606</b>	<b>9</b>	<b>(2,882)</b>	<b>(1,733)</b>	<b>-</b>
Loss on revaluation of fixed assets	(152)	-	-	-	<b>(152)</b>
<b>Net movement in funds</b>	<b>(1,884)</b>	<b>8</b>	<b>196</b>	<b>(148)</b>	<b>(1,828)</b>
<b>Total funds brought forward</b>	<b>8,076</b>	<b>826</b>	<b>1,558</b>	<b>68,024</b>	<b>78,484</b>
<b>Total funds carried forward</b>	<b>6,192</b>	<b>834</b>	<b>1,754</b>	<b>67,876</b>	<b>76,656</b>