

# Annual Report and Financial Statements **2020**

*Norwich Diocesan Board of Finance Limited*

Supporting the mission and ministry  
of the Diocese of Norwich



**THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

# NORWICH DIOCESAN BOARD OF FINANCE LIMITED

## INDEX

	<b>Page</b>
Reference and Administrative Information	2
Summary Information about the Structure of the Church of England	3 – 4
Chairman's Statement	5 – 7
The Executive Committee and Directors' Report incorporating the Strategic Report	8 – 17
Independent Auditor's Report	18 – 19
Consolidated Statement of Financial Activities	20
Consolidated Summary Income and Expenditure Account	21
Consolidated Balance Sheet	22
Consolidated Cash Flow Statement	23
Notes to the Accounts	24 – 48

## NORWICH DIOCESAN BOARD OF FINANCE LIMITED

### REFERENCE AND ADMINISTRATIVE INFORMATION

**Executive Committee  
(Board of Directors)  
as at 27 April 2021**

Mark Jeffries (Chairman)  
The Revd. Michael Asquith  
Robin P. Back  
The Ven. Steven J. Betts  
Ray Hollands  
Kandara Kammoun  
Susan Martin  
Patricia Menaul  
Captain Anthony M. Poulter OBE RN  
The Revd. Dr Patrick Richmond  
Angela Robson  
The Revd. Canon Simon Stokes  
The Revd. Jeremy G. Sykes  
Julian Taylor  
The Rt. Revd. Graham Usher

**Diocesan Secretary (Chief Executive)**

Richard M. Butler MBE DL

**Interim Diocesan Secretary**

Rosemary Pearce

**Director of Finance**

Susan E. Bunting BFP FCA

**Registered Office**

Diocesan House, 109 Dereham Road, Easton, Norwich,  
NR9 5ES

**Company Registration Number**

88175

**Charity Registration Number**

249318

**Auditor**

Lovewell Blake LLP, Bankside 300, Peachman Way,  
Broadland Business Park, Norwich, NR7 0LB

**Bankers**

Barclays Bank plc, London Street, Norwich, NR2 1HS

**Insurers**

Ecclesiastical Insurance Group, Beaufort House,  
Brunswick Road, Gloucester, GL1 1JZ

**Solicitors**

Birketts LLP, Kingfisher House, 1 Gilders Way, Norwich,  
NR3 1UB

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

**Investment Advisors and  
Stockbrokers**

Barratt and Cooke Ltd, 5/6 Opie Street, Norwich  
NR1 3DW  
CCLA Investment Management Limited, 80 Cheapside,  
London EC2V 6EE  
JM Finn & Co, 4 Coleman Street, London, EC2R 5TA  
Eskmuir Group, 8 Queen Anne Street, London, W1G 9LD

## NORWICH DIOCESAN BOARD OF FINANCE LIMITED

### SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND

The Church of England is organised as two provinces; each led by an archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises of dioceses of which there are 42 in England.

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

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

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

#### The three National Church Institutions

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

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

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

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

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

#### The Cathedral

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

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

## NORWICH DIOCESAN BOARD OF FINANCE LIMITED

### SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND (continued)

#### The Diocese

##### Diocesan Synod

The statutory governing body of the diocese is the diocesan synod which is elected with representation from across the diocese. The Synod has broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the diocesan bishops and archdeacons. Its role is to:

- consider matters affecting the Church of England in the diocese;
- act as a forum for debate of Christian opinion on matters of religious or public interest;
- advise the bishop where requested;
- deal with matters referred by General Synod;
- provide for the financing of the diocese.

##### Deanery Synod

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

- respond to requests from General Synod;
- where appropriate, give effect to the decisions made by the Diocesan Synod;
- consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- raise with Diocesan Synod such matters as it considers appropriate; and
- elect members of the deanery to the Diocesan Synod and of the diocese to General Synod.

##### The Bishop's Council

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

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

##### Parochial Church Council (PCC)

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

##### Parishes

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

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

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

## CHAIRMAN'S STATEMENT IN ANNUAL REPORT 2020

On 20 March 2021 I assumed a role in which Bill Hesselby has invested much time and effort. He has been DBF Chair for the last eight years and was first appointed to the DBF in 2007. The Diocese owes him an enormous debt of gratitude as Bishop Graham made clear when he paid tribute to Bill's contribution at Diocesan Synod on 20 March.

I am fortunate to be taking over from Bill when a new governance structure has been agreed and after the peer review, deployment review and central services review have been undertaken. Together they point to a very clear direction of travel and are enormously helpful in setting the agenda for the future as the DBF looks to support the delivery of the Vision for the Diocese of Norwich 2021-2026: *Transformed by Christ: prayerful, pastoral and prophetic*. I have been struck by the enthusiasm and energy which the new vision has generated and the widespread recognition that the governance changes should lead to improved decision-making as the Diocese looks to tackle its pre and post pandemic challenges.

In 2020 the Diocese received a total of £6.160m in Parish Share, 77.28% of the £7.972m requested and a shortfall of £1.812m. This compares with a total received in 2019 of £7.086m which was 89.54% of the request. Inevitably, the decrease of £926k (13.07%) is attributable to the challenging circumstances created by the pandemic and we are grateful for the huge efforts made by parishes to minimise the shortfall.

Our operating deficit for 2020, excluding year end pension scheme revaluations, property sales and subsidiary company results, is £708k. The details are set out on page 7 in the appendix to this report. The Executive Committee Report on pages 12 and 13 sets out the various steps taken to secure extra income and to achieve cost savings. These mitigated against what could have been a significantly larger deficit and include:

- securing a sustainability grant of £215k from the Archbishops' Council to help with the impact of COVID-19;
- utilising the government's Job Retention Scheme for Diocesan lay staff, receiving funding of £99k;
- savings on vacancy costs;
- delaying housing quinquennials;
- a reduction in training and events costs; and
- savings in travel and meeting costs due to home-working.

Thanks are due to all those who have worked tirelessly to ensure that our expenditure has been kept to a minimum. The impact on staff of being furloughed and those working extremely hard throughout has not gone unnoticed.

Our income from investments has decreased by £79k.

At the 31 December 2020 our share of the deficit on the national clergy pension scheme was £614k, a reduction of £499k from the deficit of £1.113m at 31 December 2019. These large adjustments, required by accounting regulations, along with other pension scheme adjustments for the closed Diocesan Staff pension scheme make the operating results difficult to read. We have therefore included a summary of the operating position excluding these items on page 7. Full details of the pension costs are shown in note 28, on pages 39 to 42.

The value of net assets at 31 December 2020, excluding the contribution from trading subsidiaries, is set out in note 38 on page 48 and amounts to £145.5m, or £146.1m excluding the clergy pension scheme liability. Our fixed assets, comprising houses, glebe land and an investment portfolio, equate to £143.8m, which leaves £2.3m liquidity to run the Diocese on a day to day basis. We have taken a strategic approach to the use of our restricted funds, utilising the Stipends Fund to pay stipends in their entirety in 2020, rather than apportioning some costs to general funds as in previous years. This has enabled us to release some free reserves and add some security to our very volatile cash flow position.



## CHAIRMAN'S STATEMENT IN ANNUAL REPORT 2020

During the year, we have continued to develop our trading subsidiaries, Spire Support Services Limited and Norwich Glebe Property Limited, the results of which are shown in note 33 on pages 44 and 45 of these financial statements. These companies were formed to provide alternative sources of income for the Diocese and relieve the pressure on Parish Share. Both generate a profit which is transferred to the Diocese under the corporate gift aid scheme. The first lockdown in 2020 had a significant impact on building services, hence the reduction in profits from Spire Support Services Limited, but we are seeing an upturn in work during 2021. The Job Retention Scheme was also utilised for staff employed by Spire Support Services Limited.

The value of our investment portfolios decreased at 31 December 2020, by £924k. Since the balance sheet date, the value of the portfolios has recovered by 0.4%.

As we emerge from the pandemic and activities resume, we have to recognise that future predicted deficits are not sustainable. In addition to the deployment review of our clergy posts which aims to reduce stipendiary clergy numbers by 10 per cent, we have also undertaken a full central services review of functions performed by diocesan lay staff, with a view to making substantial permanent cost savings for the future. The outcome of this review will be known later this year. I am acutely aware that these reviews cause additional strain and worry which we must do our best to minimise.

Amongst the various financial challenges are several opportunities. Examples include:

- a. The potential to improve the understanding of stewardship across the Diocese to achieve levels of planned giving that more closely matches levels in neighbouring and comparable dioceses.
- b. The possibility of expanding the work of the Diocese of Norwich Churches Trust as part of the strategy for dealing with excess church buildings
- c. The opportunity to develop wider giving to churches in the Diocese by appealing to the vicariously religious, especially in the light of the pandemic. There is a model for this in the Communities Fund created within the Diocese of London.

There is also a wider question as to whether an improved return could be generated on the Diocese's investments by changing the balance across the portfolio.

The pandemic has delayed our Church Planting and Revitalisation Project. The Diocese was awarded £1.98m in 2019 towards the project out of the Archbishops' Council's Strategic Development Fund. The project aims to create ten new, or revitalised, churches across Norfolk and Waveney. Teams of church and worship leaders, sports ministers and others will be appointed to areas where research shows the church can help to local needs and better support communities. The project seeks to reach both rural and urban areas, engaging with young people and families by focusing on areas of population around secondary school catchment areas. The hope is that the life of the project can be extended as lockdown is lifted.

I end with two notes of thanks. First to Richard Butler who, following a period of ill health, and having reached 65, has decided to step down from his post as Diocesan Secretary (Chief Executive) on 30 April 2021. Richard has served the Diocese of Norwich for over 11 years and has done much over that time to support the mission and ministry of the Church of England to the people of Norfolk and Waveney. We wish him well, thank him for all that he has contributed and pray for his renewed health in the months and years ahead. Secondly, on behalf of the Executive Committee, I pass on huge thanks to all the Diocesan staff for everything they have achieved in the most difficult circumstances of the last 12 months. We are very grateful.



**MARK JEFFRIES**

27 April 2021

## APPENDIX TO CHAIRMAN'S STATEMENT IN ANNUAL REPORT 2020

The table below summarises the main features of the year and my explanation of them. The figures are extracted from note 37 on page 47 of the financial statements and are prior to the consolidation of Subsidiaries.

	<b>Board 2020 £'000</b>	<b>Board 2019 £'000</b>	<b>Variances £'000</b>
Income	11,619	12,099	(480)
Expenditure	<u>(11,769)</u>	<u>(11,792)</u>	<u>23</u>
<b>Operating (deficit)/surplus</b>	<b>(150)</b>	<b>307</b>	<b>(457)</b>
Realised gains on sale of properties - Board	<u>272</u>	<u>257</u>	<u>15</u>
<b>Net income</b>	<b>122</b>	<b>564</b>	<b>(442)</b>
Adjustment of value linked loans	(38)	(1)	(37)
Actuarial (loss)/gain on defined benefit pension scheme	(308)	1,734	(2,042)
Gains on investment assets:			
Sale of glebe property (realised gains)	62	93	(31)
Quoted and unquoted investments			
Realised	(361)	8	(369)
Unrealised	<u>320</u>	<u>2,154</u>	<u>(1,834)</u>
(Decrease)/increase in funds	<u>(203)</u>	<u>4,552</u>	<u>(4,755)</u>
<b>Reconciliation of Management accounts operating position</b>			
Net income (shown above)	122	564	(442)
FRS102 Pension disclosure - Clergy Scheme	(505)	(450)	(55)
FRS102 Pension disclosure - Company Scheme	(53)	(186)	133
Realised gains on sale of properties - Board	<u>(272)</u>	<u>(257)</u>	<u>(15)</u>
<b>Operating deficit</b>	<b><u>(708)</u></b>	<b><u>(329)</u></b>	<b><u>(379)</u></b>

# THE EXECUTIVE COMMITTEE AND DIRECTORS' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

## Objectives

Norwich Diocesan Board of Finance Limited aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Norwich and elsewhere, providing resources for Ministry and Mission. These activities have been undertaken during the year and there have been no significant changes in its policies.

## Structure, governance and management

The Diocese of Norwich was founded in 1094 and took broadly its present form in 1906. It covers an area of 1,804 square miles. The approximate population is 905,000 and the demographics are as follows: the diocese is the 8<sup>th</sup> largest in England in geographical area but only 33<sup>rd</sup> in terms of density of population. The city of Norwich (total population around 135,000) is the area's key centre of economic activity. Apart from Norwich there are four other significant conurbations which spread around the periphery: Kings Lynn, Great Yarmouth, Lowestoft and Thetford. The rural areas contain a scattered population living in communities ranging from market towns (of which Norfolk has many, most of them growing) to smaller villages and remote hamlets.

The Diocese is arranged in three archdeaconries being Norwich, Thetford and Lynn. In total there are some 560 parishes.

## Diocesan governance

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

## Company status

The company, Norwich Diocesan Board of Finance Limited, is established to manage the financial affairs, and hold legal title to the assets, of the Diocese of Norwich. It was incorporated on 28 March 1906 as a charitable company limited by membership guarantee (No. 88175), and its governing documents are the Memorandum and Articles of Association (as amended on 28 April 1970, 5 May 1970 and 19 June 2010). Norwich Diocesan Board of Finance Limited is registered with the Charity Commission (No. 249318).

Every member of Diocesan Synod is a member of Norwich Diocesan Board of Finance Limited for company law purposes and has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

## Decision-making structure

Within the supervisory powers of the Diocesan Synod, as listed below, certain diocesan functions (those italicised below) are currently undertaken by the Executive Committee in pursuit of Norwich Diocesan Board of Finance Limited's charitable Objects:

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

## REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED - continued

### Structure, governance and management (continued)

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

The Executive Committee has delegated responsibility for the day-to-day management of the Board to the Diocesan Secretary who is supported by a senior management team and their staff.

All members of the Executive Committee give their time voluntarily and receive no benefits from the Board. During the year Norwich Diocesan Board of Finance Limited made contributions to the Church Commissioners towards the stipends, national insurance and pension contributions of the licensed clergy who are Executive Committee members and provided houses, including the payment of council tax and maintenance costs, as part of normal clergy remuneration.

### Committee structure

There are a number of Diocesan Synod committees that, though not sub-committees of Norwich Diocesan Board of Finance Limited, can influence the operations of the Board. During 2020 a full review of governance structures was carried out which will result in a revised structure later in 2021, as approved by Diocesan Synod on 20 March 2021.

Those that follow are statutory committees:

**Property Committee**, which is responsible for overseeing policy and making major decisions concerning the management of parsonage houses in each benefice, including implementing the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board. This Committee's work is now included in the mainstream work of the Property Executive which is a sub-committee of the Executive Committee of the Norwich Diocesan Board of Finance Limited.

**Glebe Committee**, which is responsible for overseeing policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocesan Stipends Fund of the Diocese of Norwich.

**Diocesan Advisory Committee**, which advises the Chancellor 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.

**Mission and Pastoral Committee**, is responsible for pastoral reorganisation taking account of finance, clergy numbers and new patterns of ministry. The Committee advises the Bishop on Bishop's Mission Orders and is also responsible for church buildings other than the work of the DAC. This Committee's work is now included in the mainstream work of the Bishop's Council.

In addition to the statutory committees, currently there are also the following committees:

**Investment Policy Group**, which is responsible for determining policy and making major decisions concerning the management of the consolidated investment portfolio in order to gain the best return from these assets to help sustain the ministry of the Church, without undue risk.

**Asset Management Committee**, which works closely with the Property committee, Glebe committee and Investment Policy Group to manage the extensive property portfolio in order to improve the quality of the existing housing stock and make best use of the assets to generate additional revenue.

**Audit Risk and Assurance Committee**, which reviews the work, policies and procedures of the Board, to ensure integrity in all its activities, and compliance with legal, financial and reporting requirements, and to have oversight of risk management processes.

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

## Structure, governance and management (continued)

**Nominations Committee**, which is responsible for making recommendations for new appointments to all boards and committees.

**Remuneration Committee**, which is responsible for remuneration policy, staff complement decisions and salaries for senior roles.

### Recruitment and appointment of Executive Committee

The Executive Committee members listed on page 2 are the directors of the company for the purposes of company law and in accordance with the Articles of Association shall be the following persons:

- The Chair of the Board, to be nominated by the Bishop's Council;
- The Deputy Chair of the Board, to be nominated by the Bishop's Council;
- The Treasurer of the Board, to be nominated by the Bishop's Council;
- An Archdeacon, to be nominated by the Bishop's Council;
- The Clerical Vice-President of the Diocesan Synod;
- The Lay Vice-President of the Diocesan Synod;
- Three lay members of the Diocesan Synod and three clerical members of the Diocesan Synod to be elected by the Diocesan Synod;
- Up to three additional persons as may be co-opted by the Executive Committee from time to time.

### Induction and training of Executive Committee

The Executive Committee is aware of the 2011 Charities Act requirement to ensure that all members receive appropriate induction and training. Periodically members attend talks on charity governance.

### Remuneration of key management personnel

Emoluments of higher paid personnel, including the Diocesan Secretary, are determined by the Remuneration Committee. All employees including key management personnel have regular appraisals and remuneration is based on salary scales which are regularly benchmarked and reviewed.

### Related parties/Connected charities

Norwich Diocesan Board of Finance Limited has to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Area Bishops are borne by the Church Commissioners.

In pursuit of its charitable objectives, the Board acts as agent for a number of Diocesan Boards including the Board of Education, the Board for Social Responsibility and the Ministry division.

The Diocese of Norwich Education and Academies Trust, St Benet's Multi-academy Trust and The Diocese of Norwich Education Support Company are connected charities/company of the Norwich Diocesan Board of Finance Limited. Church academies have a clause written into their funding agreements which requires the Academy Trust to ensure that the quality of Religious Education and the contents of the Academy's collective worship are given in accordance with the tenets and practice of the Church of England.

The Diocese of Norwich Churches Trust was established during 2015 and is a connected charity of the Norwich Diocesan Board of Finance Ltd. This is a Charitable Incorporated Organisation (CIO) set up to relieve incumbents and PCC members with very small congregations, from the burden and responsibility of the Churches running costs, this became active during 2017.

In addition the Board acts as managing or custodian trustee for approximately 1,800 Parish and other religious trusts which hold property and investments. All trust assets are recorded and maintained separately from the Board's own assets. It also co-operates with and provides advice to Parochial Church Councils, the Chapter of Norwich Cathedral, the Horstead Centre and other church bodies.

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

## Structure, governance and management (continued)

The Board is required by Measure to be custodian trustee in relation to Parochial Church Council property, but has no control over Parochial Church Councils, which are independent charities. The accounts of Parochial Church Councils and deaneries do not form part of these financial statements.

Parochial Church Councils are able to influence the decision-making within Norwich Diocesan Board of Finance Limited and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

### **Pension scheme**

Norwich Diocesan Board of Finance Limited is the sponsoring employer of the Norwich Diocesan Board of Finance Pension Scheme. This is a pension fund for the benefit of employees of Norwich Diocesan Board of Finance Limited. One trustee of the scheme is an employee of the Board and member of the scheme. The scheme has been closed to new entrants. Costs of administration and secretarial services are borne by the Board.

The Board also participates in the Church of England Funded Pension Scheme. Further details are contained in note 28 to the financial statements.

### **Subsidiary undertakings**

The Board's subsidiaries are considered to be The Diocese of Norwich Consolidated Education Endowments (formerly Schemes under Section 554 of the Education Act 1996) and certain trusts over which the Board has absolute discretionary control and of which it is a beneficiary. The Board has three trading subsidiaries, Spire Support Services Limited, Norwich Glebe Property Limited and NDBF Easton Limited (see note 33).

**Strategic Report** - Key performance indicators are shown in the relevant sections of this report.

## **a) Activities, Benefits and Achievements**

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

The key activities may be summarised as:

- To seek a constructive and positive relationship with the people of the Diocese;
- To communicate effectively across all areas of Diocesan activity;
- To exercise and promote good stewardship of Diocesan resources to support growth;
- To provide mechanisms for evaluating performance through a regular programme of reflection and review.

### **Public benefit**

The Executive Committee is aware of the Charity Commission's guidance on public benefit in *The Advancement of Religion for the Public Benefit* and have had regard to it in their administration of the Board. The Executive Committee believes that, by promoting the work of the Church of England in the Diocese of Norwich, the Board helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public.

Norwich Diocesan Board of Finance Limited supports the clergy through the payment of stipends, the management of parsonages, and clergy training. This provides a benefit to members of the general public in each parish. The Church also carries out marriages, baptisms and funerals which are attended by the general public and enriches local communities by the provision of other services across the Diocese.

The Board of Education provides support services and capital expenditure support for schools and academies, thus benefiting the pupils, and the improvement of the buildings benefits the local community.

Norwich Diocesan Board of Finance Limited also makes grants to connected charities and to other charitable projects in support of the above objectives.



# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED - continued

## a) Activities, Benefits and Achievements (continued)

The benefits outlined above are related to the aims of the Diocese in helping to promote, carry on and assist the work of the Church of England in the Diocese of Norwich and elsewhere, providing resources for Ministry and Mission. They also relate to a large section of the general public whose opportunity to benefit is not unreasonably affected by geographical or financial restrictions.

### Achievements and performance

#### Plans and achievements for 2020

The COVID-19 pandemic had a significant impact on plans for 2020. The government instructed all places of worship to close in March 2020, with gradual re-opening permitted for individual worship during June 2020. The impact of the closure saw parish incomes fall, most noticeably from cash collections, fundraising activities and premises hire, along with parochial fee income from weddings. This in turn has impacted on the ability to pay parish share.

The financial impact on Norwich Diocesan Board of Finance Ltd was in several areas, parish share, investment income, along with a fall in capital values. The Board of Finance enacted immediate expenditure savings, most notably in respect of housing costs, where only emergency/essential repairs were carried out. 32 staff members (50%) were furloughed under the government job retention scheme.

A review of clergy deployment and expenditure was led by the Bishop of Thetford and is currently being implemented.

#### Achievements during the year were:

- The work of each Mission Strategy stream continued and are now concluding to allow for the new Vision and Priorities for the Diocese to be introduced;
- The Diocese continues to fund 50% of 'Imagine Norfolk Together' in conjunction with the Together Network and the Church Urban Fund;
- The Trustees of The Diocesan Churches Trust met regularly throughout 2020 to review applications to the Trust and its financial obligations;
- The Board has continued to actively support two trading subsidiaries during 2020 both of which have seen a surplus position for 2020. NDBF (Easton) Limited (see note 33 on page 44) is likely to become active during 2021;
- The Board has continued to help to support the Diocese of Norwich Education and Academies Trust and St Benet's Multi-academy Trust;
- The Board applied for and were successful in receiving sustainability funding of £215k from Archbishops' Council;
- The Board applied for and were successful in achieving funding towards a new Strategic Programme Manager post to be introduced during 2021;
- Initiated a review of central services and staffing;
- Devised, agreed and started to implement a renewed deployment strategy.

#### Operational performance

Norwich Diocesan Board of Finance Limited received 77.3% of parish share requested for the year of £7.972m a shortfall of £1.812m. The Trustees believe around £1 million of this is a direct impact of the COVID-19 pandemic. This is a decrease of £926k or 13.07% when compared with 2019 receipts.

The operating deficit at company level for 2020 is £708k (after adjusting for FRS102 pension adjustments and non-operational property surpluses).

Steps taken to mitigate the level of deficit were:

- we have been able to secure additional sustainability grant funding of £215k from Archbishops Council to help with the impact of COVID-19;
- we utilised the government's Job Retention Scheme for Diocesan lay staff, receiving funding of £99k;
- stipendiary clergy numbers have decreased by 5 posts;

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

## Achievements and performance (continued)

- vacancy costs, first incumbency grants and removal costs have reduced by over £90k as we have not seen the movement in clergy roles due to the pandemic;
- housing quinquennial inspections have been delayed – this is a saving in 2020 costs but will not be a future saving as this is a legal requirement;
- ministry training costs, such as the clergy leadership conference, new posts conference, study days and summer school significantly reduced due to the pandemic;
- event costs, such as the Norfolk Show, Soul Shaper, 'One Big Day' have not been run, and the Events Co-ordinator post was made redundant;
- headteacher training costs and recruiting costs reduced; and
- travel costs, meeting costs and printing costs have all significantly reduced due to home-working.

## Investment performance – overall performance

The overall value of Diocesan investment assets decreased by £927,000 during 2020, as compared with an increase of £2,217,000 in 2019.

In 2020 the operational activities of the Diocese were financed by £606,000 from interest and dividends (2019: £714,000).

## Glebe investments

£37.1 million of the Board's investments are in glebe land, primarily to generate a sustainable income to continue funding clergy stipends.

Rents receivable amounted to £827,000 (2019: £798,000).

Investment in equity and fixed interest funds were valued at £10.7 million at 31 December 2020 (2019: £11.1 million). The unrealised gain in the value of investments during the year amounted to £93,000 (2019: unrealised gain £1,174,000). Dividends and interest receivable amounted to £379,000 (2019: £426,000).

## General and other fund investments

Other investments are held on behalf of restricted and general funds. The policy with these investments is to safeguard capital and to achieve capital growth. Investment in equity and fixed interest funds were valued at £8.1 million at 31 December 2020 (2019: £8.7 million), a decrease of £0.6m or 6.9%. Dividends and interest receivable amounted to £227,000 (2019: £266,000).

## Value linked loans

As detailed in note 18, freehold property subject to value linked loans comprises freeholds where loans have been received from Church Commissioners or Parochial Church Councils towards the capital expenditure and as part of the agreement all or part of the sale proceeds are repayable on final disposal. The Board is committed to repay the outstanding value linked loans in the short term as funds become available. Total value linked loans at 31 December 2020 were £353,000 (2019: £511,000).

## Statutory functions

Norwich Diocesan Board of Finance Limited has responsibility for the management of glebe property and investments to generate income to support the cost of stipends. It is the Diocesan authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board. The trustees are custodian trustees in relation to PCC property.

## Grant-making (beneficiary-selection) policy

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry. Grants are paid to other connected charities and to other charitable projects which appear to the Board to support the furtherance of Norwich Diocesan Board of Finance Limited's objects.

## Volunteers

Norwich Diocesan Board of Finance Limited 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.



# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

## Achievements and performance (continued)

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 Executive Committee greatly value the considerable time given by all the volunteers across the diocese in pursuit of the mission of the Norwich Diocesan Board of Finance Limited.

### b) Financial review

The results for the year shown in the Statement of Financial Activities on page 20 and the year end position shown in the balance sheet on page 22 are considered to be satisfactory. Results and highlights for the year and future prospects are given in the Chairman's Statement on pages 5 to 7.

#### *Financial performance*

Income before revaluation adjustments totalled £12.3 million (2019: £12.8 million) and expenditure amounted to £12.3 million (2019: £12.3 million).

The Statement of Financial Activities (SOFA) for the year shows net expenditure of £28,000 (2019: net income £488,000) before net gains and losses on the revaluation of investments and fixed assets and on the sale of investment assets, and actuarial losses on the defined benefit pension scheme.

The accounts show a decrease in the balance sheet total of £322,000.

The Norwich Diocesan Board of Finance Ltd share of the Church of England Pension Scheme defined benefit funding deficit at 31 December 2020 was £614k (2019: £1.113m) see note 28 to the financial statements.

During the year, total fund balances remained at £148 million.

#### *Principal funding sources*

Around 53% of the income of the Board comes from the Parish Share, 11.7% from Archbishops' Council for Low income Communities and transition funding, 12.2% from investment income (including glebe rent), and 5.4% from statutory fees.

#### *Going concern*

After making enquiries the Executive Committee are satisfied that Norwich Diocesan Board of Finance Limited has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

#### *Investment policy*

The Board's aim is to gain the best return from their assets to help sustain the ministry of the Church, without undue risk. Their portfolio includes fixed interest, bank and stock market investments, freehold properties and glebe land.

The Executive Committee have delegated the functions and duties in relation to Investment Management to the Investment Policy Group (IPG). The members of the IPG are appointed by the Executive Committee and are made up of a number of Executive Committee members and advisors who are reasonably believed, by the Executive Committee, to be qualified by ability and practical experience in matters relating to investments. The members of the IPG are guided by the best practice advice issued by the Charity Commission for the investment of Charitable Funds.

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

Long-term responsibilities and growth – the Executive Committee are aware of their long-term responsibilities and as a result follow a correspondingly prudent approach to investment decisions. Investment policy for long term funds is aimed primarily at generating a sustainable income with due regard to the need for the preservation of capital value and the possible need to realise investments to meet operational needs.

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

## Financial review (continued)

Glebe investments are held on the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an on-going basis. The overall aim is for a return of RPI plus 3%.

Ethical investment – the Executive Committee adopt an ethical investment policy that follows the Church of England Ethical Investment Advisory Group (EIAG) guidelines, this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

## Reserves policy

Norwich Diocesan Board of Finance Limited has considerable responsibilities including the remuneration of up to 180 parochial stipendiary clergy, the upkeep of approximately 260 houses, and the employment of 50 (f.t.e) full or part time staff, and it is therefore essential that the Board carries an appropriate level of reserves to meet these responsibilities.

The free reserves of the Board at 31 December 2020, comprising the income funds freely available for general purposes (and which are not yet spent, committed or restricted) amounted to £2.8 million as compared with £1.1 million at the end of the previous year. Free reserves include free designated reserves of £152,000.

The Executive Committee have reviewed the reserves policy and continues to aim to build up the free reserves to approximately £3 million being four and a half months expenditure within the Capital and General fund and designated funds.

As stated in note 27, the Diocesan Secretary is sanctioned by the Bishop of Norwich to use monies from the Benefice Buildings and Pastoral Fund - this is mainly called upon when there are insufficient resources within the General Fund. The Benefice Building and Pastoral Fund is regarded as an expendable endowment (a restricted fund). The investments and net current assets within this fund at 31 December 2020 amounted to £2.5 million (2019: £2.4 million).

Total other restricted funds excluding tangible assets and long-term liabilities at 31 December 2020 amounted to £54 million (2019: £58 million).

## c) Plans for the future

The Board of Finance has sufficient reserves to conclude that going concern is not an immediate concern but the Trustees recognise that in order to support our parishes in recovering from the pandemic, the activities of the Board of Finance must be reviewed.

### In 2021 the Board plans to do the following:

- Continue to implement the new Diocesan Vision and Priorities 2021 – 2026, so that our life together is transformed by Christ, Prayerful, Pastoral and Prophetic, far more than we can ask or imagine;
- Submit further applications to the Strategic Capacity Fund to help initiate and develop new areas of work and help people in sharing faith with our communities;
- Establish a working group to address giving within the Diocese, including Parish Share (TRiO) and other forms of discipleship;
- Finalise the first stages of the review of central services and staffing;
- Continue to implement deployment strategy;
- Continue to support the Diocesan Churches Trust, to help to discover an appropriate solution for Churches in very small communities and with tiny congregations, so that the incumbent and the PCC are relieved of the burden and responsibility of maintenance with its associated running costs.
- Continue to support and develop the trading subsidiary companies;
- Continue to support and develop the Diocese of Norwich Education and Academies Trust and St Benet's Multi-academy Trust.

## **REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued**

### **d) Principal Risks and Uncertainties**

The Executive Committee confirm that the major risks to which Norwich Diocesan Board of Finance Limited is exposed, as identified by the Executive Committee and staff, have been reviewed and that systems and procedures have been established to manage those risks. Risks are reviewed and managed as part of the risk management strategy.

A risk register has been compiled covering potential governance and management risks, operational risks, financial risks, environmental/external risks, and compliance risks. Potential risks are explained with their likely impact, and procedures to mitigate the risks are listed. The Executive Committee review the risk register at least annually as part of the risk management strategy.

The most significant and major financial risk facing the charity remains the shortfall in donations from parishes to the Parish Share as this is the main contribution received to fund the work of the Board. Work continues on an affordable plan for the delivery of the charity's main objectives in the long term.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Executive Committee.

### **Funds held as custodian trustee for others**

The Board is custodian trustee for approximately 1,800 Parish and other religious trusts which hold property and investments. The Board also holds Parochial Church Council property as custodian trustee. Each PCC is a separate charity and the assets are held separately from those of Norwich Diocesan Board of Finance Limited.

### **Fixed Assets**

The movements in fixed assets are set out in notes 18 to 20 in the accounts.

All of the Board's properties were re-valued at 31 December 2012 in accordance with the Board's accounting policy at that time, of re-valuing every five years.

The Board 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 their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Executive Committee members therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their pre-existing balance sheet revaluation as deemed cost. No further revaluations will be performed on these assets.

The Glebe holdings were revalued as at 31 December 2017, in accordance with the policy set out on page 27. Glebe land was valued by FPD Savills, Property Consultants, at market value at 31 December 2017.

### **Fundraising standards information**

The Board supports raising funds from the public in relation to the annual Lent appeal. No professional fundraisers or third party commercial participators are used. The Board is registered with the Fundraising Regulator.

The Diocese employs an Events Coordinator who is monitored on a regular basis and reports to the Chief Executive. The Board is pleased to report that no complaints have been received.

No direct contact is made with the public regarding fundraising activities. All advertising is carried out via Diocesan publications, social media or websites.

# REPORT OF THE EXECUTIVE COMMITTEE (INCORPORATING STRATEGIC REPORT) OF THE NORWICH DIOCESAN BOARD OF FINANCE LIMITED – continued

## Statement of Executive Committee's Responsibilities

The Executive Committee (who are also directors of Norwich Diocesan Board of Finance Limited for the purposes of company law) are responsible for preparing the Report of the Executive Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice 2015 (FRS102);
- 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 presume that the Board will continue in operation.

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

In so far as the Executive Committee is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Executive Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

## Members of the Executive Committee

Members of the Executive Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 2. Michael Gurney resigned on 7 January 2021, Hugh Coghill resigned on 1 March 2021, Bill Hussey resigned on 20 March 2021 and Mark Jeffries was appointed on 20 March 2021.

## Auditor

A resolution to re-appoint Lovewell Blake LLP as auditor of the Board will be proposed at the Annual General Meeting on 8 June 2021.

The Report of the Executive Committee (incorporating Strategic Report) was approved by the Board on 27 April 2021.

Signed by Order of the Board



ROSEMARY PEARCE, Secretary

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

## Opinion

We have audited the financial statements of The Norwich Diocesan Board of Finance Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and the Parent Charitable Company Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

The other information comprises the information included in the report of the Executive Committee, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report of the Executive Committee. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the Executive Committee (incorporating the strategic report and the directors' report) 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 have been prepared in accordance with applicable legal requirements.

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

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

## INDEPENDENT AUDITOR'S REPORT (continued)

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the Executive Committee

As explained more fully in the Trustees' Responsibilities Statement (set out on page 17), the Executive Committee (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

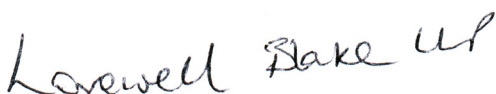
- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors-responsibilities>. 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.



Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf of

LOVEWELL BLAKE LLP

Chartered Accountants & Statutory Auditor

Bankside 300, Peachman Way, Broadland Business Park, Norwich, Norfolk NR7 0LB

25 May 2021

*Lovewell Blake LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*



**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 31 December 2020**

		* Restricted Funds			* Other		
	Note	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	Restricted Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
<b>Income and endowments from</b>							
<b>Donations</b>	2						
Parish contributions		6,160	-	-	-	<b>6,160</b>	7,086
Archbishops' Council		215	-	1,365	518	<b>2,098</b>	1,702
Other donations		339	-	-	160	<b>499</b>	513
<b>Charitable activities</b>	3	934	1	4	-	<b>939</b>	861
<b>Other activities</b>	4	507	2	-	377	<b>886</b>	828
<b>Investments</b>	5	74	134	1,206	19	<b>1,433</b>	1,512
<b>Other sources</b>	6	123	149	-	-	<b>272</b>	257
<b>Total income</b>		<b>8,352</b>	<b>286</b>	<b>2,575</b>	<b>1,074</b>	<b>12,287</b>	<b>12,759</b>
<b>Expenditure on</b>							
<b>Raising funds</b>	7	-	-	107	329	<b>436</b>	491
<b>Charitable activities</b>	8	6,523	6	4,472	878	<b>11,879</b>	11,780
<b>Total expenditure</b>		<b>6,523</b>	<b>6</b>	<b>4,579</b>	<b>1,207</b>	<b>12,315</b>	<b>12,271</b>
<b>Net income/(expenditure) before investment gains</b>		<b>1,829</b>	<b>280</b>	<b>(2,004)</b>	<b>(133)</b>	<b>(28)</b>	<b>488</b>
<b>Net gains/(losses) on investments</b>	13	(33)	116	(62)	31	<b>52</b>	2,362
<b>Net income/(expenditure)</b>	14	<b>1,796</b>	<b>396</b>	<b>(2,066)</b>	<b>(102)</b>	<b>24</b>	<b>2,850</b>
<b>Transfers between funds</b>	15	-	-	-	-	-	-
<b>Other recognised gains/(losses)</b>							
Adjustment of value linked loans	26	(38)	-	-	-	<b>(38)</b>	(1)
Actuarial (loss)/gain on defined benefit pension scheme	28	(302)	-	(6)	-	<b>(308)</b>	1,734
<b>Net movement in funds</b>		<b>1,456</b>	<b>396</b>	<b>(2,072)</b>	<b>(102)</b>	<b>(322)</b>	<b>4,583</b>
<b>Reconciliation of funds</b>							
Total funds at 1 January 2020		5,290	80,830	59,318	2,553	<b>147,991</b>	143,408
<b>Total funds at 31 December 2020</b>		<b>6,746</b>	<b>81,226</b>	<b>57,246</b>	<b>2,451</b>	<b>147,669</b>	<b>147,991</b>

The fund-analysis of the comparative figures is shown in note 36 to the accounts.

The notes on pages 24 to 48 form part of these accounts.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 31 December 2020**

	2020 £'000	2019 £'000
Total income (note 1 below)	12,011	12,494
Expenditure	<u>(12,315)</u>	<u>(12,271)</u>
<b>Operating surplus for the year</b>	(304)	223
Interest receivable	4	8
Net gains on investment assets	<u>52</u>	<u>2,362</u>
<b>(Deficit)/surplus for the year</b>	(248)	2,593
<b>Other comprehensive income:</b>		
Revaluation of fixed assets	(38)	(1)
Net assets transferred from endowments	272	257
Defined benefit scheme actuarial (losses)/gains	<u>(308)</u>	<u>1,734</u>
<b>Total comprehensive income for the year</b>	<u><u>(322)</u></u>	<u><u>4,583</u></u>

All income and expenditure relates to continuing activities

Total income comprises £8,227,000 for unrestricted funds and £3,784,000 for restricted funds, including subsidiaries and quasi subsidiaries. A detailed analysis of income by source is provided in the Statement of Financial Activities and notes 2 to 6 to the accounts. Detailed analysis of the expenditure is provided in the Statement of Financial Activities and notes 7 to 12 to the accounts.

The net deficit for the year of £248,000 comprises £1,673,000 net surplus of Unrestricted Funds and £1,921,000 net deficits of Restricted Funds.

The summary income and expenditure account is derived from the Statement of Financial Activities on page 20, which together with the notes to the financial statements on pages 24 to 48, provides full information on the movements during the year on all the funds in the group.

All income and expenditure derives from continuing activities.

**Note 1 Reconciliation of Summary Income and Expenditure to Statement of Financial Activities**

	2020 £'000	2019 £'000
Total income per page 20	12,287	12,759
Less interest receivable	(4)	(8)
Less total endowment additions	<u>(272)</u>	<u>(257)</u>
Total income per above	<u><u>12,011</u></u>	<u><u>12,494</u></u>

The notes on pages 24 to 48 form part of these accounts.



**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**At 31 December 2020**

			* Restricted Funds				
	Notes	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	* Other Restricted Funds £'000	2020 Total £'000	2019 Total £'000
<b>Fixed Assets</b>							
Tangible assets	18	4,250	78,656	5,792	518	<b>89,216</b>	88,857
Investment assets							
Glebe holding	19	-	-	37,047	55	<b>37,102</b>	37,105
Investments	20	2,711	4,603	10,744	818	<b>18,876</b>	19,800
		6,961	83,259	53,583	1,391	<b>145,194</b>	145,762
<b>Current Assets</b>							
Stock	21	-	-	-	25	<b>25</b>	63
Debtors	22	1,448	23	874	200	<b>2,545</b>	3,162
Pension scheme asset		105	-	-	-	<b>105</b>	354
Balances with Church Commissioners		-	15	-	-	<b>15</b>	-
Central Board of Finance Deposit Fund		96	302	-	78	<b>476</b>	448
Cash/(overdrawn balance) at bank		(908)	(2,317)	3,995	4,521	<b>5,291</b>	3,105
		741	(1,977)	4,869	4,824	<b>8,457</b>	7,132
<b>Creditors - Amounts falling due within one year</b>	24	603	56	592	3,287	<b>4,538</b>	2,800
<b>Net Current Assets</b>		138	(2,033)	4,277	1,537	<b>3,919</b>	4,332
<b>Total Assets Less current liabilities</b>		7,099	81,226	57,860	2,928	<b>149,113</b>	150,094
<b>Creditors - Amounts falling due after more than one year</b>	25	353	-	-	477	<b>830</b>	990
<b>Net Assets excluding pension scheme liability</b>		6,746	81,226	57,860	2,451	<b>148,283</b>	149,104
<b>Defined benefit pension scheme liability</b>	28	-	-	614	-	<b>614</b>	1,113
<b>Net assets after pension liability</b>		6,746	81,226	57,246	2,451	<b>147,669</b>	147,991
<b>Fund Balances</b>							
At 31 December 2020 (page 20)	27	6,746	81,226	57,246	2,451	<b>147,669</b>	147,991

Approved by the Executive Committee on 27 April 2021 and signed on its behalf by

Chair

**Mark Jeffries**



Interim Diocesan Secretary

**Rosemary Pearce**



**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 31 December 2020

	2020 £'000	2019 £'000
<b>Net cash inflow/(outflow) from operating activities</b>	<u>134</u>	<u>(1,757)</u>
<b>Cash flows from investing activities</b>		
Dividends, interest and rent from investments	1,433	1,512
Interest paid	(11)	(11)
Proceeds from the sale of tangible fixed assets	1,410	1,384
Purchase of tangible fixed assets	(1,533)	(2,111)
Proceeds from the sale of investments	2,451	710
Purchase of investments	(1,472)	(565)
<b>Net cash provided by investing activities</b>	<u>2,278</u>	<u>919</u>
<b>Cash flows from financing activities</b>		
Loans repaid to the Board	14	10
Loans repaid by the Company	(197)	(248)
<b>Net cash provided by financing activities</b>	<u>(183)</u>	<u>(238)</u>
<b>Change in cash and cash equivalents in the reporting period</b>	2,229	(1,076)
Cash and cash equivalents at 1 January 2020	<u>3,553</u>	<u>4,629</u>
Cash and cash equivalents at 31 December 2020	<u><u>5,782</u></u>	<u><u>3,553</u></u>
<b>Reconciliation of net income to net cash flow from operating activities</b>		
<b>Net (expenditure)/income</b>	(28)	488
Depreciation	35	25
Interest paid	11	11
Net gain on the sale of fixed assets	(272)	(257)
Dividends, interest and rent from investments	(1,433)	(1,512)
Decrease in stock	38	15
Decrease/(Increase) in debtors	603	(131)
Increase in creditors	1,738	240
FRS 102 Non-cash pension disclosures	(558)	(636)
<b>Net cash provided by/(used in) operating activities</b>	<u>134</u>	<u>(1,757)</u>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	5,291	3,105
Notice deposits (less than 3 months)	491	448
	<u><u>5,782</u></u>	<u><u>3,553</u></u>
<b>Reconciliation of net cash flow to movements in net debt</b>		
Change in cash and cash equivalents in the reporting period	2,229	(1,076)
Cash flow from decrease in debt	<u>160</u>	<u>247</u>
Increase/(decrease) in net debt in the reporting period	<u>2,389</u>	<u>(829)</u>
Net debt at 1 January 2020	<u>2,563</u>	<u>3,392</u>
Net debt at 31 December 2020	<u><u>4,952</u></u>	<u><u>2,563</u></u>

# NORWICH DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 1. Accounting policies

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in e), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and applicable accounting standards (FRS102). The Board constitutes a Public benefit entity as defined by FRS102.

The principal accounting policies and estimation techniques are as follows.

#### a) Income

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

- i) **Parish Share** is recognised as income of the year in respect of which it is receivable, which includes amounts received in respect of the year up to the following 31 January.
- ii) **Rent** receivable is recognised as income in the period it is received. Glebe rents are collected by the Board and the income, net of related expenditure, is paid by instalments to the Church Commissioners in accordance with the Endowments and Glebe Measures 1976. The amounts received by the Church Commissioners are then credited to the Stipends Fund. Glebe rents are shown gross in the Statement of Financial Activities.
- 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) **Parochial fees** are recognised as income of the year to which they relate, which include assigned fees received in respect of the year up to the following 31 January.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the Board's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.

#### 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. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

- i) **Costs of raising funds** are constrained to costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and Church of England schools in the diocese.

# NORWICH DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 1. Accounting policies (continued)

- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. 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 wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.**

#### ***The Church of England Funded Pension Scheme***

The Board participates in the Church of England Funded Pension Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

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

#### ***The Board's Defined Benefit Scheme***

The Board's pension scheme provides benefits for other full-time staff based on final pensionable pay. This is closed to new entrants. The assets of the scheme are held separately from those of the Board, being invested with Aviva. Defined benefit pension liabilities are measured using the projected unit credit method and discounted at the valuation rate of interest on a high quality corporate bond of equivalent term and currency to the liability. Under FRS 102 it is permissible to review and update the most recent actuarial valuation results, any net liability arising based on these valuations is the best estimate of the present value of the actual amounts to be paid out of the scheme, less the market value of the scheme assets.

The increase in the present value of the liabilities of the Board's defined benefit pension scheme expected to arise from employee service in the period is charged to the Statement of Financial Activities. The net interest on the scheme liabilities is also charged to the Statement of Financial Activities. Actuarial gains and losses are recognised in the Statement of Financial Activities.

#### ***Group Personal Pension Plan***

A group personal pension scheme was set up on 1 January 2002 and the costs of providing this are charged to the Statement of Financial Activities as they become payable.

# NORWICH DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

### 1. Accounting policies (continued)

#### c) Tangible fixed assets and depreciation

##### ***Freehold properties***

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

##### ***Investment properties***

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

##### ***Parsonage houses***

The Board 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 their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Executive Committee members therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their pre-existing balance sheet revaluation as deemed cost. No further revaluations will be performed on these assets.

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

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are carried at their pre-existing balance sheet revaluation as deemed cost (see paragraph above). Each year end the loan is carried at an index linked current valuation basis.

#### d) Other tangible fixed assets

All capital expenditure over £1,000 is capitalised and depreciated, apart from computer software which is written off in the year of purchase. 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:-

Office and other equipment	25% / 33.33% straight line
Motor vehicles	25% reducing balance

#### e) Other accounting policies

##### i) Fixed asset investments

The Glebe holding, which is considered to be investment property, was revalued by FPD Savills, Property Consultants, at its estimated open market value as at 31 December 2017. This valuation, which represents an average of £6,388 per acre, is updated every five years. Details of the cost of the majority of the Glebe property is not available. Listed investments are included at their market value. Unlisted investments are included at valuations provided by the Fund Managers concerned. Subsidiary companies are included at fair value and any changes are recognised in the SOFA.

## NORWICH DIOCESAN BOARD OF FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

#### 1. Accounting policies (continued)

##### ii) Diocesan Stipends

All stipends are paid by the Church Commissioners with funds provided by the Diocese. Allocations, guaranteed annuities and grants from the Church Commissioners, net Glebe rents and other attributable income received by the Church Commissioners are credited to the Stipends Fund.

##### iii) Diocesan Parsonages Fund

All transactions relating to the Diocesan Parsonages Fund are included under the appropriate headings in the Capital and General Fund column of the Board's Statement of Financial Activities.

##### iv) Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

##### v) Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

##### vi) Cash at Bank

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

##### vii) The Diocese of Norwich Consolidated Education Endowments

The Diocese contributes towards the repairs and capital expenditure on schools and the costs are shown net of grants receivable. This grant system has now ceased for new projects and has been replaced by the Voluntary Aided Schools pooling arrangement. Grants shown in the Statement of Financial Activities relate to existing projects commenced under Consolidated Education Endowments.

##### viii) Financial Instruments

The Board only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their transaction value and then measured at their settlement value, with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### f) Fund balances

Fund Balances are split between unrestricted (general and designated) and restricted funds.

- **Unrestricted funds** are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Executive Committee. There are two types of unrestricted funds:
  - **General funds** which the Board intends to use for the general purposes and
  - **Designated funds** set aside out of unrestricted funds by the Board for a purpose specified by the Executive Committee

# NORWICH DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 1. Accounting policies (continued)

#### f) Fund balances (continued)

- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are disclosed in the Report of the Executive Committee.

**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 Parsonage House and Schools endowment funds administered by the Board, there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds such as the Stipends Capital Fund, where there is no provision for expenditure of capital are classified as permanent endowment.

#### g) Consolidated accounts

For the purposes of the Consolidated Statement of Financial Activities and Balance Sheet which appear alongside those of the Board itself, the Board's subsidiaries and quasi subsidiaries are considered to be Spire Support Services Ltd, NDBF (Easton) Ltd, Norwich Glebe Property Ltd, The Diocese of Norwich Consolidated Education Endowments (formerly Schemes under Section 554 of the Education Act 1996) and certain trusts over which the Board has absolute discretionary control and of which it is a beneficiary. The results of the subsidiaries and quasi subsidiaries are consolidated on a line by line basis within 'other restricted funds'. Intra group balances, where immaterial, are not eliminated on consolidation.

#### h) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist in relation to going concern.

The Trustees have assessed the going concern risks arising from the COVID-19 pandemic, including cashflow, investment values, staffing, government support and opening places of worship. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### i) Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

#### j) Redundancy costs

Where an obligation to make redundancy or termination payment arises, the costs incurred by the charity are accounted for on an accruals basis and included within employee benefits

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

	* <b>Restricted Funds</b> *				<b>Total Funds</b> <b>2020</b> <b>£'000</b>	<i>Total Funds</i> <i>2019</i> <i>£'000</i>
	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	Other Restricted Funds £'000		
<b>2. Income from Donations</b>						
<b>Parish contributions</b>						
Parish share						
Current year's allocation	7,972	-	-	-	<b>7,972</b>	7,914
Shortfall in contributions	(1,812)	-	-	-	<b>(1,812)</b>	(828)
Total income	<u>6,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>6,160</b></u>	<u>7,086</u>
Total parish share receipts for the current year represent 77.3% of the allocation (2019: 89.5%)						
<b>Archbishop's Council</b>						
Lowest income communities and transition funding	-	-	1,364	-	<b>1,364</b>	1,431
Resourcing Ministerial Education	-	-	-	196	<b>196</b>	144
Strategic Development Funding	-	-	-	322	<b>322</b>	126
Sustainability funding	215	-	-	-	<b>215</b>	-
Guaranteed annuities	-	-	1	-	<b>1</b>	1
	<u>215</u>	<u>-</u>	<u>1,365</u>	<u>518</u>	<u><b>2,098</b></u>	<u>1,702</u>
<b>Other donations</b>						
All Churches Trust Grant	152	-	-	-	<b>152</b>	165
Anne French Memorial Trust	42	-	-	-	<b>42</b>	30
Keswick Hall Charity	48	-	-	-	<b>48</b>	48
Roof Alarm Appeal	-	-	-	47	<b>47</b>	55
Mission Strategy	-	-	-	113	<b>113</b>	158
Other donations	97	-	-	-	<b>97</b>	57
	<u>339</u>	<u>-</u>	<u>-</u>	<u>160</u>	<u><b>499</b></u>	<u>513</u>
<b>3. Income from Charitable activities</b>						
Statutory fees and chaplaincy income	624	-	4	-	<b>628</b>	629
Other Board income	211	1	-	-	<b>212</b>	232
Coronavirus Job retention Scheme	99	-	-	-	<b>99</b>	-
	<u>934</u>	<u>1</u>	<u>4</u>	<u>-</u>	<u><b>939</b></u>	<u>861</u>
<b>4. Income from Other activities</b>						
Rental income from parsonages and closed schools	425	2	-	19	<b>446</b>	368
<b>Trading income</b>						
Property support services	-	-	-	285	<b>285</b>	312
Coronavirus Job retention Scheme	-	-	-	24	<b>24</b>	-
Rental income from commercial property	-	-	-	49	<b>49</b>	49
Income from recharged support services	82	-	-	-	<b>82</b>	99
	<u>507</u>	<u>2</u>	<u>-</u>	<u>377</u>	<u><b>886</b></u>	<u>828</u>
<b>5. Income from Investments</b>						
Dividends receivable	72	134	377	19	<b>602</b>	706
Interest receivable	2	-	2	-	<b>4</b>	8
Glebe rents receivable (note 16)	-	-	827	-	<b>827</b>	798
	<u>74</u>	<u>134</u>	<u>1,206</u>	<u>19</u>	<u><b>1,433</b></u>	<u>1,512</u>
<b>6. Other income</b>						
Gains on disposal of property	123	149	-	-	<b>272</b>	257
	<u>123</u>	<u>149</u>	<u>-</u>	<u>-</u>	<u><b>272</b></u>	<u>257</u>
<b>Total income</b>	<u><u>8,352</u></u>	<u><u>286</u></u>	<u><u>2,575</u></u>	<u><u>1,074</u></u>	<u><u><b>12,287</b></u></u>	<u><u>12,759</u></u>



**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

for the year ended 31 December 2020						
	* Restricted Funds *					
	Unrestricted	Benefice	Stipends	Other	Total Funds	Total Funds
	Funds	& Pastoral	Fund	Restricted	2020	2019
	£'000	£'000	£'000	Funds	£'000	£'000
7. Expenditure on raising funds						
Investment management costs						
Glebe management charges	-	-	107	-	107	128
Asset management expenses	-	-	-	-	-	2
Trading expenses						
Property support services	-	-	-	280	280	312
Commercial property	-	-	-	49	49	49
	-	-	107	329	436	491
8. Expenditure on charitable activities						
Contributions to Archbishop's Council						
Training for ministry	354	-	-	-	354	338
National Church responsibilities	299	-	-	-	299	305
Grants and provisions	9	-	-	-	9	3
	662	-	-	-	662	646
Expenditure on resourcing ministry and mission						
Parish ministry:						
Stipends and national insurance	(55)	-	4,977	-	4,922	5,001
Pension contributions	1,645	-	(505)	-	1,140	1,208
Housing costs	1,162	1	-	-	1,163	1,183
Removal, resettlement and other grants	123	-	-	-	123	190
Other expenses	137	-	-	-	137	176
	3,012	1	4,472	-	7,485	7,758
Support for parish ministry	2,446	5	-	-	2,451	2,334
Resourcing Ministerial Education	-	-	-	179	179	140
Roof Alarm Appeal	-	-	-	47	47	55
Mission Strategy	-	-	-	116	116	129
Church Planting and Revitalisation	-	-	-	320	320	126
	2,446	5	-	662	3,113	2,784
Expenditure on education						
Support for church schools	403	-	-	-	403	474
Grants	-	-	-	216	216	118
	403	-	-	216	619	592
Total expenditure on charitable activities	6,523	6	4,472	878	11,879	11,780
Total expenditure	6,523	6	4,579	1,207	12,315	12,271
9. Analysis of expenditure including allocation of support costs						
	Activities undertaken directly	Grant funding of activities	Support costs	Total	Total	
	£'000	£'000	£'000	2020	2019	
				£'000	£'000	
Raising funds	436	-	-	436	491	
Contributions to Archbishop's Council	662	-	-	662	646	
Resourcing Ministry and Mission	8,703	131	1,764	10,598	10,542	
Education, Youth Children and Families	403	216	-	619	592	
	10,204	347	1,764	12,315	12,271	

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

		<b>* Restricted Funds *</b>				
	Unrestricted	Benefice	Stipends	Other	<b>Total Funds</b>	<b>Total Funds</b>
	Funds	Buildings	Fund	Restricted	<b>2020</b>	<b>2019</b>
	£'000	& Pastoral	£'000	Funds	<b>£'000</b>	<b>£'000</b>
		£'000		£'000		
<b>10. Analysis of support costs</b>						
Central administration and office property costs (inc. final salary pension adjustments)	1,540	-	-	-	1,540	1,311
Governance:						
Amounts paid to auditor:						
External audit	25	-	-	-	25	24
Accountancy	5	-	-	-	5	7
Registrar, Chancellor, PCR2 review and HR	187	-	-	-	187	119
Synodical costs	7	-	-	-	7	11
	<b>1,764</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,764</b>	<b>1,472</b>

**11. Analysis of grants made**

	Individuals	Institutions	<b>Total</b>	<b>Total</b>
	£'000	£'000	<b>2020</b>	<b>2019</b>
			<b>£'000</b>	<b>£'000</b>
Included within:				
Contributions to the Archbishop's Council	-	563	563	548
Education and training grants	99	-	99	98
Resourcing ministry and mission:				
Resettlement and first incumbency grants	123	-	123	190
Support for parish ministry				
Resourcing Ministerial Education	48	131	179	140
Roof Alarm Appeal		47	47	55
Church quinquennial inspections	-	63	63	57
PCC Faculty fees	-	22	22	25
Repair and reordering of redundant churches	-	5	5	7
PCC grant	-	4	4	7
Sharing good news grants	-	3	3	13
Continuing Ministerial Development	3	-	3	15
Good Work Chaplaincy grants	-	8	8	8
Norfolk and Waveney Churches Together	-	3	3	3
Education				
CEE grants to schools and academies	-	210	210	118
	<b>273</b>	<b>1,059</b>	<b>1,332</b>	<b>1,284</b>

**12. Staff costs**

Staff costs were as follows:	2020	2019
	£'000	£'000
Gross salaries	1,434	1,346
Social security costs	135	135
Redundancy	5	-
Pension contributions	204	198
Lump sum contributions	143	132
Health insurance contributions	19	19
	<b>1,940</b>	<b>1,830</b>

Payments in respect of redundancy relating to the Events Co-ordinator post totalling £5k were made in the year, this had all been paid over by the year-end.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**12. Staff costs (continued)**

	2020	2019
The average head count of total employees:	<u>57</u>	<u>54</u>
The average number of employees, based on full-time equivalents were as follows:		
Resourcing ministry		
Support for parish ministry	24	26
Safeguarding	2	2
Counsellor	1	1
Property	4	4
Parochial lay staff	3	2
Church Planting and Revitalisation	6	2
Education, youth, families and children	6	6
Spire Support Services Limited	4	4
	<u>50</u>	<u>47</u>

The number of staff whose emoluments (including benefits in kind but excluding pension contributions) exceeded £60,000 were:

	2020	2019
£60,000 - £70,000	1	2
£70,000 - £80,000	-	1
£80,000 - £90,000	2	1
£90,000 - £100,000	-	-
£100,000 - £110,000	1	-
£110,000 - £120,001	-	1

Pension contributions amounting to £49.6k were made in the year for the provision of money purchase benefits for the above employees.

**Remuneration of key management personnel**

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

The Diocesan Secretary and Chief Executive, the Director of Property Services, the Director of Education, the Director of Finance and the Director of Communications. Remuneration (including employers National Insurance, pension costs and benefits-in-kind) and expenses for these employees amounted to £502k (2019: £512k).

**Executive Committee Remuneration**

No remuneration has been paid to any member of the Executive Committee in their capacity as Executive Committee members (2019: £NIL). One member was reimbursed for travel and incidental costs incurred in undertaking their Executive Committee duties totalling £19 (2019: Four members £542).

During the year the Board made contributions to the Church Commissioners towards the stipends, national insurance and pension contributions of the licensed clergy who are Executive Committee members and provided houses, including the payment of council tax and maintenance costs, as part of normal clergy remuneration.

The following table gives details of the Executive Committee members who were in receipt of a stipend and/or housing provided by the Norwich Diocesan Board of Finance Limited during the year:

	Stipend	Housing
The Revd. Michael Asquith	Yes	Yes
The Ven. Steven J. Betts	Yes	Yes
The Revd. Dr Patrick Richmond	Yes	Yes
The Revd. Jeremy G. Sykes	Yes	Yes
The Revd. Canon Simon Stokes	Yes	Yes

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**12. Staff costs (continued)**

**Stipendiary Clergy (continued)**

The Board is responsible for funding via the Church Commissioners the stipend of licenced stipendiary clergy in the diocese, other than bishops and cathedral staff. The Board is also responsible for the provision of housing for stipendiary clergy in the diocese including the suffragan bishops but excluding the diocesan bishop and cathedral staff.

	2020	2019
<b>Parochial Clergy:</b> The average number of clergy holding parochial or archidiaconal posts in the diocese was:	170	172
	£'000	£'000
At a cost before recharges of:		
Stipends	4,596	4,702
National Insurance contributions	376	376
Pension contributions	1,720	1,742
	<u>6,692</u>	<u>6,820</u>

The stipends of the Diocesan Bishop and two Suffragan Bishops are funded by the Church Commissioners and are in the range of £36,930 to £46,180. The annual rate of stipend, funded by the Board, paid to Archdeacons in 2020 was in the range of £36,100 to £36,830 and other clergy who were members of the Executive Committee were paid in the range £26,470 to £27,000. The estimated value to the occupant, gross of income tax and national insurance, of church provided housing in 2020 is an average of £12,900 p.a.

**13. Net gains/(losses) on investments**

	2020	2019
	£'000	£'000
<b>Investments (note 20)</b>		
Realised	(375)	8
Unrealised - listed	418	2,275
- unlisted	(53)	(14)
<b>Glebe Holding (note 19)</b>		
Realised	62	93
<b>Net gains/(losses)</b>	<u>52</u>	<u>2,362</u>

**14. Net income/(expenditure)**

This is after charging:

	2020	2019
	£'000	£'000
Depreciation	<u>35</u>	<u>25</u>

**15. Analysis of transfers between funds**

	Capital and General £'000	Designated Funds £'000	Restricted Funds £'000	Total 2020 £'000
Asset Management costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Asset management costs are funds designated from unrestricted reserves to manage the extensive property portfolio in order to improve the quality of the existing housing stock and make best use of assets to generate additional revenue.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**16. Endowments and Glebe Measure, 1976**

	2020	2019
<b>Income and Expenditure Account</b>		
	£'000	£'000
<b>Income (note 5)</b>		
Glebe rents and interest receivable	827	798
<b>Expenditure (note 7)</b>		
Surveyor's and Agent's fees	43	51
Legal and other administration charges	63	76
	<u>107</u>	<u>128</u>
Surplus for the year	<u>720</u>	<u>670</u>

**17. Taxation**

The Board has no liability to corporation tax or capital gains tax.

**18. Tangible assets**

	* Subject to value linked loans	* Freehold Property Glebe	* Benefice and Pastoral	* Commercial Property	Other freehold property	Office and other equipment	2020 Consolidated Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At cost or valuation</b>							
At 1 January 2020	723	5,233	78,413	735	3,690	126	88,920
Additions	-	559	946	20	-	8	1,533
Disposals	(238)	-	(703)	-	(198)	-	(1,139)
Transfer	-	-	-	-	-	-	-
<b>At 31 December 2020</b>	<b>485</b>	<b>5,792</b>	<b>78,656</b>	<b>755</b>	<b>3,492</b>	<b>134</b>	<b>89,314</b>
<b>Accumulated depreciation</b>							
At 1 January 2020	-	-	-	-	-	63	63
Disposals	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	35	35
<b>At 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98</b>	<b>98</b>
<b>Net book value</b>							
<b>At 31 December 2020</b>	<b>485</b>	<b>5,792</b>	<b>78,656</b>	<b>755</b>	<b>3,492</b>	<b>36</b>	<b>89,216</b>
At 31 December 2019	723	5,233	78,413	735	3,690	63	88,857
<b>Company</b>							
<b>At 31 December 2020</b>	<b>485</b>	<b>5,792</b>	<b>78,656</b>	<b>240</b>	<b>3,492</b>	<b>34</b>	<b>88,699</b>
At 31 December 2019	723	5,233	78,413	220	3,690	63	88,342

	2020 £'000	2019 £'000
The net book amount comprises:		
Assets used, or intended to be used, predominantly for direct charitable purposes	87,300	86,933
Assets used for administration and other purposes	1,916	1,924
	<u>89,216</u>	<u>88,857</u>

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**18. Tangible Fixed Assets - continued**

Freehold property subject to value linked loans comprises freeholds where loans have been received from Church Commissioners or Parochial Church Councils towards the capital expenditure and, as part of the agreement, all or part of the sale proceeds will be repayable on final disposal. These properties are carried at their pre-existing balance sheet revaluation as deemed cost. Each year end the loan is carried at an index linked current valuation basis (note 26).

	2020 £'000	2019 £'000
Glebe Property (mainly residential houses) comprises:		
Houses at valuation as at 1 January 2020	5,233	4,390
Transfer from Benefice and Pastoral Fund	-	839
Additions	559	4
Disposals	-	-
Valuation as at 31 December 2020	<u>5,792</u>	<u>5,233</u>
Benefice and Pastoral Property comprises -		
Houses -		
At valuation as at 1 January 2020	78,413	78,302
Subsequent additions at cost	946	2,076
Transfer to Glebe Property	-	(839)
Disposals	(703)	(1,126)
Valuation as at 31 December 2020	<u>78,656</u>	<u>78,413</u>

The Board 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 their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Executive Committee members therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their pre-existing balance sheet revaluation as deemed cost. No further revaluations will be performed on these assets.

Property held by the Diocesan Consolidated Education Endowments, comprising school land and buildings including teachers' houses, some of which are let, is vested in the Board. It is not considered appropriate to include these as assets in the balance sheet because they are in the main held in the very long term and their disposal and the right to any proceeds of sale are subject to the agreement of the Local Education Authority.

**19. Glebe Land**

	£'000
Consolidated	
Valuation at 1 January 2020	37,105
Additions	-
Disposal proceeds	(65)
Profit on disposal	62
Revaluation adjustment	-
Valuation at 31 December 2020	<u>37,102</u>
Company	
Valuation at 31 December 2020	<u>37,047</u>

The Glebe land, which is considered to be investment property, was revalued by FPD Savills, Property Consultants, at its estimated open market value as at 31 December 2017. This valuation, which represents an average £6,388 per acre, will be updated every five years. Details of the historic cost of the majority of the Glebe holding is not available.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**20. Fixed asset investments**

	At 1 January 2020 £'000	Additions £'000	Disposal proceeds £'000	Profit/(loss) on Disposal £'000	Increase/(decrease) in Market value £'000	At 31 December 2020 £'000
<b>Unrestricted Funds</b>						
Listed investments	2,755	141	(259)	(30)	(2)	2,605
Unlisted investments	97	3	-	-	-	100
Cash	89	-	(83)	-	-	6
	<u>2,941</u>	<u>144</u>	<u>(342)</u>	<u>(30)</u>	<u>(2)</u>	<u>2,711</u>
<b>Restricted Funds</b>						
Listed investments	15,206	1,328	(1,952)	(345)	420	14,657
Unlisted investments	1,364	-	-	-	(53)	1,311
Cash	289	-	(92)	-	-	197
	<u>16,859</u>	<u>1,328</u>	<u>(2,044)</u>	<u>(345)</u>	<u>367</u>	<u>16,165</u>
<b>Total</b>	<b><u>19,800</u></b>	<b><u>1,472</u></b>	<b><u>(2,386)</u></b>	<b><u>(375)</u></b>	<b><u>365</u></b>	<b><u>18,876</u></b>

	2020 £'000	2019 £'000
The unlisted securities comprise:-		
Shares in the Central Board of Finance -		
Investment Fund	42	39
Property Fund	1,175	1,236
(valued as per the Central Board of Finance)		
COIF Charities Investment Fund Income shares		
(valued as per COIF Charity Funds)	94	89
Investment in Eastern Landowners Consortium	97	94
Investment in CMCU shares	3	3
	<u>1,411</u>	<u>1,461</u>

**The historical cost of the above assets is as follows:**

Listed securities	13,493	14,363
Unlisted securities	1,140	1,137
Cash	203	378
	<u>14,836</u>	<u>15,878</u>

The following shareholdings, at valuation, form a material part of the investment portfolio (i.e. greater than 5% of the total of the Board's consolidated investments).

	2020 £'000	2019 £'000
M & G Charifund income units	1,447	1,751
Central Board of Finance Property Fund	1,175	1,237
Eskmuir Diversified Property Fund	2,104	2,068
	<u>4,726</u>	<u>5,056</u>

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2020**

<b>21. Stock</b>	2020 £'000	2019 £'000
Stock and Work-in-Progress	<u>25</u>	<u>63</u>
<b>22. Debtors</b>	2020	2019
<b>Company</b>	£'000	£'000
<b>Due within one year</b>		
Parish share	273	439
Assigned fees	58	105
Prepayments and accrued income	247	259
Amounts due from Subsidiary undertakings	179	182
Other debtors	523	903
Loans (note 23)	<u>-</u>	<u>12</u>
	1,280	1,900
<b>Consolidated</b>		
Prepayments and accrued income	2	7
Other debtors	<u>185</u>	<u>175</u>
	1,467	2,082
<b>Company and Consolidated</b>		
<b>Due after more than one year</b>		
Deferred costs on development project	601	601
Loans (note 23)	<u>477</u>	<u>479</u>
	<u>2,545</u>	<u>3,162</u>
<b>23. Loans Receivable</b>	2020	2019
	£'000	£'000
<b>Company and Consolidated</b>		
Amounts due from parishes	-	12
Amounts due from Subsidiary undertakings	<u>477</u>	<u>479</u>
	<u>477</u>	<u>491</u>
Amounts falling due after more than one year	<u>477</u>	<u>479</u>
<b>24. Creditors - amounts falling due within one year</b>	2020	2019
	£'000	£'000
<b>Company</b>		
Tax and social security costs	37	41
Other creditors	746	351
Accruals and deferred income (note 35)	<u>1,546</u>	<u>1,536</u>
	2,329	1,928
<b>Consolidated</b>		
Tax and social security costs	45	11
Other creditors	837	676
Accruals and deferred income (note 35)	<u>1,327</u>	<u>185</u>
	<u>4,538</u>	<u>2,800</u>
<b>25. Creditors - amounts falling due after more than one year</b>	2020	2019
	£'000	£'000
Loans due by the Board (note 26)	<u>830</u>	<u>990</u>
<b>26. Loans due by the Board</b>	2020	2019
<b>Company</b>	£'000	£'000
Church Commissioners Property Loans - Value Linked Loans	353	511
<b>Consolidated</b>		
Amount owed to group undertakings	<u>477</u>	<u>479</u>
	<u>830</u>	<u>990</u>
Amounts falling due after more than one year	<u>830</u>	<u>990</u>
Interest payable on loans due by the Board	<u>11</u>	<u>11</u>



**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**27. Summary of fund movements**

	Balances at 1 January 2020	Income	Expenditure	Transfers	Gains and losses	Balances at 31 December 2020
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted funds</b>						
Capital and General	4,422	8,352	(6,522)	-	(373)	5,879
<b>Designated funds:</b>						
Aided Church Schools						
Buildings Reserve	178	-	-	-	-	178
Diocesan Parsonages Fund	85	-	-	-	-	85
Jane Bailey Bequest	605	-	(1)	-	-	604
Asset Management Fund	-	-	-	-	-	-
	868	-	(1)	-	-	867
<b>Total unrestricted funds</b>	<b>5,290</b>	<b>8,352</b>	<b>(6,523)</b>	<b>-</b>	<b>(373)</b>	<b>6,746</b>
<b>Restricted funds</b>						
Stipends Fund	59,318	2,575	(4,579)	-	(68)	57,246
Benefice Buildings and Pastoral Fund	80,830	286	(6)	-	116	81,226
<b>Other Restricted Funds</b>						
Margaret Young Fund	242	-	-	-	-	242
Cormorants	-	-	-	-	-	-
Bishops' Fund for Readers in Training	8	-	-	-	-	8
Burning Bush Barn	6	-	-	-	-	6
Roof Alarm Appeal	-	47	(47)	-	-	-
Mission Strategy	3	113	(116)	-	-	-
Resourcing Ministerial Education	2	196	(178)	-	-	20
Church Planting and Revitalisation	-	321	(320)	-	-	1
<b>Subsidiaries and Quasi subsidiaries</b>						
Trading Subsidiaries: (see note 33)						
Non-charitable trading funds	55	359	(330)	-	-	84
Consolidated Education Endowments	2,133	37	(210)	-	29	1,989
Trusts	104	1	(6)	-	2	101
<b>Total other restricted funds</b>	<b>2,553</b>	<b>1,074</b>	<b>(1,207)</b>	<b>-</b>	<b>31</b>	<b>2,451</b>
<b>Total restricted funds</b>	<b>142,701</b>	<b>3,935</b>	<b>(5,792)</b>	<b>-</b>	<b>79</b>	<b>140,923</b>
<b>Total funds</b>	<b>147,991</b>	<b>12,287</b>	<b>(12,315)</b>	<b>-</b>	<b>(294)</b>	<b>147,669</b>

**Unrestricted funds**

The Board's Capital and General Funds includes £990,000 relating to capital (2019: £990,000). The General Reserve represents those assets held by the Board for carrying out its general activities. It provides the assets and liquidity for the Board to carry out its objectives, including statutory compliance, administration of funds and some housing.

**Designated funds**

The Aided Church Schools Buildings Reserve represents designated funds set aside for the maintenance and repair of Church schools.

The Diocesan Parsonages Fund represents Parsonage Building Funds held by the Board, which may be applied to either the Benefice Buildings and Pastoral or the Stipends Capital.

The Jane Bailey Bequest was established by the will of the late Miss Sybella Jane Bailey, who died on 16 November 1993. The Board became entitled to this by a Deed of Appointment, dated 14 November 1995 and the assets thereof, consisting of Cavick House and grounds, together with three adjacent dwellings near Wymondham, were vested in the Board with effect from 30 August 1996. Following agreement with the executors of the estate, the property was sold in December 1998. The resulting funds have been used for the provision of archdeacons housing and related housing costs.

The Asset Management Fund relates to funds set aside to meet costs to be incurred by the Asset Management Committee in their work in connection with the return on land and housing assets.

**Restricted funds**

The Stipends Fund derives mainly from the historic Glebe property of the Diocese and is restricted as to its use by Section 35 of the Endowments and Glebe Measure, 1976. It is regarded as an expendable endowment fund.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**27. Summary of fund movements (continued)**

**Restricted funds - continued**

The Margaret Young Fund was established by the will of the late Margaret Caroline Young. The Board became entitled to the property Babur Hill Cottage, Bawburgh, on the death of the life tenant on 26 July 2008, and the transfer of ownership took place during 2009. This was subsequently sold in October 2010. The fund is to be used towards the provision of housing for retired clergy.

Cormorants was established to run Christian sailing holidays for young people. Income is derived from fees for specific sailing holidays and donations. The income is restricted for the specific purpose of providing sailing holidays.

The Bishops' Fund for Readers in Training was set up by the former Archdeacon of Lynn, John Ashe from a collection in Norwich Cathedral, to provide financial assistance to students.

The Burning Bush Barn was contemplative art space set in the rural village of Rockland St Mary 6 miles south of Norwich City centre. This is currently being re-imagined for future spiritual growth through creative visual art.

To combat the threat of church lead thefts the Bishop of Norwich, the Police and Crime Commissioner for Norfolk, the Norfolk Churches Trust, Allchurches Trust and the Round Tower Churches Society have been working together to find a long-term solution and have created The Roof Alarm Scheme. The appeal raises funds towards the cost of installing alarms on church roofs. Income is released to match expenditure.

Mission Strategy 2021 is an extension of 'Committed to Growth', building on what is already being done and continuing to look to grow in discipleship, service and numbers. It identifies four 'streams' of work - Listen, Celebrate, Imagine and Empower and has been resourced by restructuring grants from the Archbishop's Council and local Trust funds. Income is released to match expenditure.

Resourcing Ministerial Education is a framework for paying to support Ordinands in initial training which supports diocesan and national ministry strategies, incentivises sponsorship of younger candidates and offers clear links between training choices and financial implications. Block grants are restricted and income is released to match expenditure.

The Church Planting and Revitalisation project began in September 2019, its aims are to create 10 new or revitalised churches across Norfolk and Waveney. Teams of church and worship leaders, sports ministers and others will be appointed to areas where research shows there are local needs the church can help meet and communities that can be better supported. The programme seeks to reach both rural and urban area, engaging with young people and families by focusing on areas of population around secondary school catchment areas. The project is part-funded by a grant of £1.98m from the national Church of England.

The Benefice Buildings and Pastoral Fund is represented by parsonage and other houses and assets derived from the sale of such houses or churches which have become redundant. The use of pastoral monies is restricted by Section 78 of the Pastoral Measure, 1983. However, the Bishop of Norwich has given the Diocesan Secretary sanction for the use of these funds at his discretion for ministry and mission purposes.

**28. Pension costs**

**The Church of England Funded Pension Scheme**

The Norwich Diocesan Board of Finance participates in the Church of England Funded Pension Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Responsible Body.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged in the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

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

An average discount rate of 3.2% pa;

RPI inflation of 3.4% pa (and pension increases consistent with this);

Increase in pensionable stipends 3.4% pa; and

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.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**28. Pension costs (continued)**

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

Following the 31 December 2018 valuation, a recovery plan was put into place until 31 December 2022 and the deficit recovery contributions payable (as a percentage of pensionable stipends) were set as follows:

% of pensionable stipends	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

The deficit recovery contributions under the recovery plan in force as at 31 December 2020 were as set out above.

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

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

	2020 £'000	2019 £'000
Balance sheet liability at 1 January	1,113	3,466
Deficit contribution paid	(514)	(517)
Interest cost (recognised in Statement of Financial Activities)	9	67
Remaining change to the balance sheet liability* (recognised in SoFA)	6	(1,903)
Balance sheet liability at 31 December	<u>614</u>	<u>1,113</u>

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

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

% of pensionable stipends	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to pensionable payroll	1.6% pa	1.3% pa	1.6% pa

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

**The Board's Pension Scheme**

Norwich Diocesan Board of Finance Limited operates a final salary defined benefit pension plan in the UK, the Norwich Diocesan Board of Finance Limited Pension Scheme. A comprehensive actuarial valuation of the scheme was carried out as at 1 April 2019, which has been updated to 31 December 2019 by a qualified independent actuary.

Information about the Scheme is set out below consistent with section 28 of FRS 102.

**Employee benefit obligations - amounts recognised in the balance sheet:**

	2020 £'000	2019 £'000
Present value of funded obligations	2,661	2,353
Fair value of plan assets	<u>2,766</u>	<u>2,707</u>
Net defined benefit asset	<u>105</u>	<u>354</u>

The pension plan assets do not include property occupied by the sponsoring employer.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**28. Pension costs (continued)**

**The Board's Pension Scheme (continued)**

The scheme assets include insurance policies that exactly match the amount and timing of the benefits payable under the Scheme to those current pensioners whose pensions are fully secured in immediate annuity policies. Since the fair value of these insurance policies is deemed to be the present value of the related obligations, both the asset and corresponding liability have been ignored in the disclosures.

**The amounts recognised in the Statement of Financial Activities are as follows:**

	For year to 31 December 2020 £'000	For year to 31 December 2019 £'000
Current service cost	9	11
Scheme administration expenses	-	2
Interest expense	47	60
Interest income	(55)	(71)
Total cost recognised in Statement of Financial Activities	1	2
Actual return on plan assets	(4)	146

**Changes in the present value of the defined benefit obligation are as follows:**

	For year to 31 December 2020 £'000
Opening defined benefit obligation	2,353
Current service cost	9
Interest expense	47
Actuarial losses	302
Benefits paid	(50)
Closing defined benefit obligation	2,661

FRS 102 states that the reconciliation of changes in the present value of the defined benefit obligation need not be presented for prior periods.

The projected unit credit valuation method has been used to arrive at the above service cost. The use of this method is prescribed in FRS 102. To produce a stable future contribution rate this valuation method assumes that the average age of the scheme membership will remain broadly constant in future due to a flow of new entrants to the scheme. However, as the scheme is closed to new members this will not be the case and the costs of benefits accruing, as a percentage of pensionable salaries, will be expected to increase over time.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**28. Pension costs (continued)**

**The Board's Pension Scheme (continued)**

Changes in the fair value of plan assets are as follows:

	For year to 31 December 2020 £'000
Opening fair value of plan assets	2,707
Interest income	55
Return on Scheme assets, excluding amounts included in	
Interest expense/income	(59)
Contributions by employer	113
Benefits paid	(50)
	<u>2,766</u>
Closing fair value of plan assets	<u>2,766</u>

FRS 102 states that the reconciliation of changes in the fair value of plan assets need not be presented for prior periods.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2020 % total plan assets	2019 % total plan assets
Unitised with profits policy	100%	100%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

a) Financial assumptions	2020	2019
Discount rate	1.3% pa	2.0% pa
RPI inflation assumption	2.85% pa	2.9% pa
CPI inflation assumption	2.45% pa	2.1% pa
Future salary increases	2.85% pa	2.9% pa
Pension increases in payment		
(RPI - maximum 5%)	2.8% pa	2.85% pa
(CPI - maximum 2.5%)	1.95% pa	1.75% pa
b) Demographic assumptions		
Assumed life expectancy in years, on retirement at 65:	2020	2019
Retiring today		
Males	22.3	22.2
Females	24.6	24.4
Retiring in 20 years		
Males	23.6	23.5
Females	26	25.8

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**29. Redundant Churches**

The Board was responsible for the care and maintenance of 3 redundant churches during the year (2019: 3). The cost to the Board was £4,705 (2019: £6,716).

No value has been attributed to these churches on the grounds that it is not material having regard to the liability for repair.

**30. Voluntary Aided Schools pooling arrangement**

In April 2006 the DFE made voluntary aided school annual devolved formula capital grants available to schools in advance of project spend. A significant number of Diocesan education and finance staff are involved in administering the projects and use of the funds received.

A summary of the transactions between 1 January 2020 and 31 December 2020 is detailed below:

	2020 £'000	2019 £'000
Cash held at 1 January 2020	580	398
Grants received from DFE	175	411
Payments on behalf of Schools	(143)	(229)
Cash held at 31 December 2020	<u>612</u>	<u>580</u>

These grants belong to the individual schools in the pooling arrangement and are not included in the consolidated accounts of Norwich Diocesan Board of Finance Limited.

**31. Related party transactions**

Transactions with the Ministry division and the Board of Education are included with the Unrestricted Funds in the Statement of Financial Activities. Consolidated Education Endowments is included as a Restricted Fund in the Statement of Financial Activities.

Norwich Diocesan Board of Finance Ltd is Managing or Custodian Trustee for approximately 1,800 Trusts. Where Norwich Diocesan Board of Finance Ltd is Managing Trustee, these trusts are included as a quasi subsidiary in the Statement of Financial Activities.

The Board co-operates closely with The Horstead Centre. The Board leases the Horstead Conference Centre to the Horstead Centre over a fifty year lease at £12 per annum. The market value of this rent is £18,000 per annum. During the year there was no expenditure recharged to Norwich Diocesan Board of Finance Limited by the Horstead Centre (2019: £5,836), with nothing outstanding at the year end (2019: £Nil). There were no charges made to the Horstead Centre by the Board in 2020 (2019: £30,000 dilapidations).

£54,217 (2019: £71,181) was recharged to The Diocese of Norwich Education and Academies Trust (DNEAT) in 2020 by the Consolidated Education Endowments Fund (CEE) and the Norwich Diocesan Board of Finance Ltd, with £12,591 outstanding at the year end (2019: £19,860). £40,033 (2019: £25,600) was charged to the Norwich Diocesan Board of Finance with respect to subscriptions and staff costs, with nothing (2019: nil) outstanding at the year end. Nothing was paid during 2020 in respect of Free Schools bids on behalf of the Diocese of Norwich Education and Academies Trust and St Benet's Multi-Academy Trust (2019: £12,000). £692 was recharged to The Diocese of Norwich Education Support Company (DONESC) with respect to staff costs (2019: nil).

£2,503 (2019: £3,075) was recharged to St Benet's Multi-Academy Trust by the Norwich Diocesan Board of Finance Ltd in 2020, with £525 (2019: £730) outstanding at the year end. Nothing was transferred to St Benet's Multi-Academy Trust in 2020 (2019: nil), with respect to devolved formula capital for schools transferring to academy status. Nothing was paid from the Consolidated Education Endowments Fund (CEE) in grant funding for St Benet's Multi-Academy Trust (2019: £95,000).

£43,077 was recharged to The Anne French Memorial Trust in 2019 (2019: £46,186), with £12,042 outstanding at the year end (2019: £10,416). Grants totalling £77,000 were given towards housing costs, national donations and education projects (2019: £230,000 including mission strategy), this income is released to match expenditure, £30,000 grant income has been deferred to 2021 for housing costs.

The Diocese of Norwich Churches Trust was established during 2015. This is a Charitable Incorporated Organisation (CIO) set up to relieve incumbents and PCC members with very small congregations, from the burden and responsibility of the Churches running costs. £496 was due at the year end to the Trust by the Norwich Diocesan Board of Finance Limited in respect of fees (2019: repayable by the Trust £1,132).

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2020**

**32. Capital commitment**

The Board has a long term commitment towards the purchase of development land, the amount of which depends on future planning permission. The Board's best estimate is that this will not exceed £700,000.

**33. Subsidiary Undertakings**

All subsidiary undertakings are included within restricted funds.

**(a) Spire Support Services Limited**

Spire Support Services Limited is a wholly owned subsidiary of Norwich Diocesan Board of Finance Limited, incorporated on 19 May 2011.

	2020 £'000	2019 £'000
Net profit (before tax and Corporate Gift Aid) for the year ended 31 December	<u>29</u>	<u>75</u>
Transactions between Spire Support Services Limited and Norwich Diocesan Board of Finance Limited are as follows:		
	2020 £'000	2019 £'000
Expenses paid on behalf of Spire Support Services Limited (inc. recharges)	<u>179</u>	<u>182</u>
Amounts owing by Subsidiary undertaking at 31 December 2020 (debtor)	<u>179</u>	<u>182</u>
Shareholders Equity/(Deficit)	<u>-</u>	<u>-</u>

During the year Spire Support Services Limited collected rental income net of 8% commission plus VAT of £322,919. Spire Support Services charged Norwich Diocesan Board of Finance Limited £256,805 inc VAT for design, surveying services and Church Quinquennials. Norwich Diocesan Board of Finance Limited charged Spire Support Services £20,897 for management oversight, financial services, office rental and loan interest. Spire Support Services Limited will gift £28,841 distributable profit under corporate gift aid to Norwich Diocesan Board of Finance Limited within nine months of the year end. The accounts for Spire Support Services Limited for the year ended 31 December 2020 have been audited by Lovewell Blake LLP and received an unqualified audit opinion. For further information please refer to the subsidiary accounts which are available on request.

**(b) NDBF (Easton) Limited**

NDBF (Easton) Limited was incorporated on 4th April 2014 to be part of a land-owners consortium for property development in the village of Easton. Since that date the company has been dormant. During 2018 8.604 acres of Glebe land was transferred to NDBF (Easton) Limited from Norwich Diocesan Board of Finance Limited at a valuation of £54,966, being £6,388.22 per acre. The company should become active during 2021.

**(c) Norwich Glebe Property Limited**

Norwich Glebe Property Limited was incorporated on 26 February 2016 and was set up in order to hold commercial glebe property.

	2020 £'000	2019 £'000
Norwich Glebe Property Limited net profit for the year ended 31 December	<u>30</u>	<u>30</u>

During the year Norwich Diocesan Board of Finance Limited collected rental income and expenses net of VAT of £49,017 on behalf of Norwich Glebe Property Limited, paid costs of £1,895 and charged loan interest of £16,435 to Norwich Glebe Property Limited. Norwich Glebe Property Limited will gift the above net profit under corporate gift aid to Norwich Diocesan Board of Finance Limited within nine months of the year end. The accounts for Norwich Glebe Property Limited for the year ended 31 December 2020 have been audited by Lovewell Blake LLP and received an unqualified audit opinion. For further information please refer to the subsidiary accounts which are available on request.

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**34. Financial Instruments**

2020  
£'000

2019  
£'000

The carrying amounts of the company's financial instruments are as follows:

**Financial assets**

Measured at fair value through net income/expenditure:

Fixed asset listed investments (note 20)

17,262

17,961

Equity instruments measured at cost less impairment:

Fixed asset unlisted investments (note 20)

1,411

1,461

**Financial liabilities**

Measured at fair value through net income/expenditure:

Value Linked loans (note 26)

353

511

**35. Deferred income (note 24)**

Deferred income brought forward at 1 January 2020

1,591

1,263

Deferred income added/(released) during the year

1,123

328

Deferred income carried forward at 31 December 2020

2,714

1,591

Deferred income relates to funds received for specific projects which are deferred until the expenditure is incurred.



**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

**36. Prior year comparative Statement of Financial Activities**

	* <b>Restricted Funds</b> *				
	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	Other Restricted Funds £'000	<b>Total Funds 2019 £'000</b>
<b>Income and endowments from</b>					
<b>Donations</b>					
Parish contributions	7,086	-	-	-	<b>7,086</b>
Archbishops' Council	-	-	1,432	270	<b>1,702</b>
Other donations	300	-	-	213	<b>513</b>
<b>Charitable activities</b>	847	2	3	9	<b>861</b>
<b>Other activities</b>	446	2	-	380	<b>828</b>
<b>Investments</b>	98	167	1,224	23	<b>1,512</b>
<b>Other sources</b>	-	257	-	-	<b>257</b>
<b>Total income</b>	<b>8,777</b>	<b>428</b>	<b>2,659</b>	<b>895</b>	<b>12,759</b>
<b>Expenditure on</b>					
<b>Raising funds</b>	2	-	128	361	<b>491</b>
<b>Charitable activities</b>	9,093	8	2,104	575	<b>11,780</b>
<b>Total expenditure</b>	<b>9,095</b>	<b>8</b>	<b>2,232</b>	<b>936</b>	<b>12,271</b>
<b>Net income before investment gains</b>	(318)	420	427	(41)	<b>488</b>
<b>Net gains on investments</b>	394	582	1,279	107	<b>2,362</b>
<b>Net income/(expenditure)</b>	<b>76</b>	<b>1,002</b>	<b>1,706</b>	<b>66</b>	<b>2,850</b>
<b>Transfers between funds</b>	31	(839)	839	(31)	<b>-</b>
<b>Other recognised gains/(losses)</b>					
Adjustment of value linked loans	(1)	-	-	-	<b>(1)</b>
Actuarial gain/(loss) on defined benefit pension scheme	(169)	-	1,903	-	<b>1,734</b>
<b>Net movement in funds</b>	<b>(63)</b>	<b>163</b>	<b>4,448</b>	<b>35</b>	<b>4,583</b>
<b>Reconciliation of funds</b>					
Total funds at 1 January 2019	5,353	80,667	54,870	2,518	<b>135,064</b>
<b>Total funds at 31 December 2019</b>	<b>5,290</b>	<b>80,830</b>	<b>59,318</b>	<b>2,553</b>	<b>147,991</b>

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

**37. Statement of Financial Activities at Company level before consolidation of Trading subsidiaries, CEE and Trusts**

	* <b>Restricted Funds</b> *				<b>Total Funds</b>	<i>Total Funds</i>
	Unrestricted Funds £'000	Benefice Buildings & Pastoral £'000	Stipends Fund £'000	Other Restricted Funds £'000	<b>2020 £'000</b>	<i>2019 £'000</i>
<b>Income and endowments from</b>						
<b>Donations</b>						
Parish contributions	6,160	-	-	-	<b>6,160</b>	<i>7,086</i>
Archbishops' Council	215	-	1,365	518	<b>2,098</b>	<i>1,702</i>
Other	339	-	-	160	<b>499</b>	<i>513</i>
<b>Charitable activities</b>	934	1	4	-	<b>939</b>	<i>861</i>
<b>Other activities</b>	507	2	-	-	<b>509</b>	<i>448</i>
<b>Investments</b>	74	134	1,206	-	<b>1,414</b>	<i>1,489</i>
<b>Other sources</b>	123	149	-	-	<b>272</b>	<i>257</i>
<b>Total income</b>	<b>8,352</b>	<b>286</b>	<b>2,575</b>	<b>678</b>	<b>11,891</b>	<i>12,356</i>
<b>Expenditure on</b>						
<b>Raising funds</b>	-	-	107	-	<b>107</b>	<i>130</i>
<b>Charitable activities</b>	6,523	6	4,472	661	<b>11,662</b>	<i>11,662</i>
<b>Total expenditure</b>	<b>6,523</b>	<b>6</b>	<b>4,579</b>	<b>661</b>	<b>11,769</b>	<i>11,792</i>
<b>Net (expenditure)/income before investment gains</b>	<b>1,829</b>	<b>280</b>	<b>(2,004)</b>	<b>17</b>	<b>122</b>	<i>564</i>
<b>Net gains/(losses) on investments</b>	<b>(33)</b>	<b>116</b>	<b>(62)</b>	<b>-</b>	<b>21</b>	<i>2,255</i>
<b>Net income/(expenditure)</b>	<b>1,796</b>	<b>396</b>	<b>(2,066)</b>	<b>17</b>	<b>143</b>	<i>2,819</i>
<b>Transfers between funds</b>	-	-	-	-	-	-
<b>Other recognised gains/(losses)</b>						
Adjustment of value linked loans	(38)	-	-	-	<b>(38)</b>	<i>(1)</i>
Actuarial gain/(loss) on defined benefit pension scheme	(302)	-	(6)	-	<b>(308)</b>	<i>1,734</i>
<b>Net movement in funds</b>	<b>1,456</b>	<b>396</b>	<b>(2,072)</b>	<b>17</b>	<b>(203)</b>	<i>4,552</i>
<b>Reconciliation of funds</b>						
Total funds at 1 January 2020	5,290	80,830	59,318	259	<b>145,697</b>	<i>141,145</i>
<b>Total funds at 31 December 2020</b>	<b>6,746</b>	<b>81,226</b>	<b>57,246</b>	<b>276</b>	<b>145,494</b>	<i>145,697</i>

**NORWICH DIOCESAN BOARD OF FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

**38. Balance Sheet at Company level before consolidation of Trading subsidiaries, CEE and Trusts**

	* <b>Restricted Funds</b> *					
	Unrestricted	Benefice	Stipends	Other	<b>2020</b>	<i>2019</i>
	Funds	Buildings	Fund	Restricted	<b>Total</b>	<i>Total</i>
	£'000	& Pastoral	£'000	Funds	<b>£'000</b>	<i>£'000</i>
		£'000		£'000	*	
<b>Fixed Assets</b>						
Tangible assets	4,250	78,656	5,792	-	<b>88,698</b>	88,339
Investment assets						
Glebe holding	-	-	37,047	-	<b>37,047</b>	37,050
Investments	2,711	4,603	10,744	-	<b>18,058</b>	19,013
	6,961	83,259	53,583	-	<b>143,803</b>	144,402
<b>Current Assets</b>						
Debtors	1,448	23	874	9	<b>2,354</b>	2,980
Pension scheme asset	105	-	-	-	<b>105</b>	354
Balances with Church						
Commissioners	-	15	-	-	<b>15</b>	-
Central Board of Finance						
Deposit Fund	96	302	-	2	<b>400</b>	367
Cash /(overdrawn balance) at bank	(908)	(2,317)	3,995	1,342	<b>2,112</b>	1,146
	741	(1,977)	4,869	1,353	<b>4,986</b>	4,847
<b>Creditors - Amounts</b>						
falling due within one year	603	56	592	1,077	<b>2,328</b>	1,928
<b>Net Current Assets</b>	138	(2,033)	4,277	276	<b>2,658</b>	2,919
<b>Total Assets Less</b>						
<b>    current liabilities</b>	7,099	81,226	57,860	276	<b>146,461</b>	147,321
<b>Creditors - Amounts falling</b>						
<b>    due after more than one year</b>	353	-	-	-	<b>353</b>	511
<b>Net Assets excluding pension</b>						
<b>    scheme liability</b>	6,746	81,226	57,860	276	<b>146,108</b>	146,810
<b>Defined benefit pension scheme</b>						
<b>    liability</b>	-	-	614	-	<b>614</b>	1,113
<b>Net assets after pensions liability</b>	6,746	81,226	57,246	276	<b>145,494</b>	145,697
<b>Fund Balances</b>						
At 31 December 2020	6,746	81,226	57,246	276	<b>145,494</b>	145,697



[www.dioceseofnorwich.org](http://www.dioceseofnorwich.org)

Diocesan House, 109 Dereham Road, Easton, Norwich NR9 5ES  
Tel: 01603 880853 Email: [info@dioceseofnorwich.org](mailto:info@dioceseofnorwich.org)