SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

England & Wales · Charity number 249359

Details

Other names	SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE, THE DIOCESE OF SOUTHWELL & NOTTINGHAM
Status	Registered
Legal form	Charitable company
Company number	00034165
Registered	1966-10-05
Register	View on the Charity Commission register

Contact

Address	Jubilee House Westgate Southwell Notts NG25 0JH
Phone	01636814331
Website	www.southwell.anglican.org

Activities

Objects: FOR THE ADVANCEMENT OF THE RELIGION OF THE CHURCH OF ENGLAND IN THE DIOCESE OF SOUTHWELL.

Activities: Growing Disciples of Christ with Compassion, Confidence and Courage, through the work of the Church of England in the Diocese of Southwell & Nottingham

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** Other Defined Groups, The General Public/mankind

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Geography

- **Area of benefit:** DIOCESE OF SOUTHWELL
- Nottinghamshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£12,883,000	£11,655,000	£92,847,000	62
2023-12-31	£11,270,000	£11,399,000	£89,885,000	60
2022-12-31	£11,758,000	£10,623,000	£86,385,000	54
2021-12-31	£10,811,000	£10,579,000	£84,011,000	61
2020-12-31	£10,932,000	£10,396,000	£80,638,000	65

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Trustees

Name	Role	Appointed
Bishop of Southwell and Nottingham		2015-05-11
FREDERICK GEORGE BRAND BA, MBA		2017-09-18
Jane Briony Robins		2018-11-01
Mark Wreford		2024-09-01
Michael Bolton		2018-11-01
Michael Wilson		2015-09-29
Paul Lake		2024-11-28
Peter Fisher		2024-09-01
Peter Harris		2024-11-28
Rev Colin Bourne		2025-06-10
Rev Daniele Bocchetti		2024-09-01
Rev Jake Hyatt		2024-09-01
Rev Jonathan Mole		2024-09-01
Rev Samantha Hustwayte		2018-11-01
Rev Victoria Ramsey		2021-06-08
Rev Zoe Burton		2021-09-29
Revd Canon Mark Tanner		2021-09-29
Robert Cleave		2021-09-29
Rt Revd Andrew Emerton		2020-09-28
Susan Waterston		2016-01-01
Thomas Bramall		2024-09-01
Trine Pearse		2024-09-01
Venerable PHILIP ANDREW Williams		2019-07-03

Linked charities

- HASELDINE HOMES (249359-1)

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SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249359

Accounts



SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

2024

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
(For the year ended 31 December 2024)

Document ID: 508a7f72a791f7ad464536c837fc359487de5c5dc9796f693bf5c17743246391

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INTRODUCTION

1.1 CHAIRMAN'S FOREWORD

I write the Forward to the Accounts for 2024 as I approach the ten-year mark since I became Bishop of Southwell and Nottingham. I am deeply thankful for the faithfulness of God in all our endeavours as a diocese, in every parish, school and other settings, in which we have shared the adventure of following Jesus and sharing his love with others.

For me, the clearest and most inspiring expression of what it means to be the church today is found in the *Living Hope Stories* that have been released each week since the start of this year – you can find them on the diocesan website and our other social media. I would urge you to listen to these real-life stories of people encountering Jesus for themselves. They are just a few of many such stories of faith from churches in every part of the diocese and people of all ages and backgrounds. This is why the diocese exists and what every local church is for. Nothing else in this report matters all that much apart from the fruit of the work of the Holy Spirit drawing people to know God and discover how greatly they are loved by him, to receive his forgiveness and gift of life, now and eternally.

We are observing that there seems to be a perceptible shift in the spiritual hunger of people in our wider culture – that culture for all its benefits cannot satisfy the soul or provide living hope. Its attempts to do so are ultimately suffocating to the soul and destroy the human spirit. Only God can truly set people free and inspire the kind of vision for our world that is enduringly hopeful. The strategic plan for the diocese in Growing Disciples of Christ with Compassion, Confidence and Courage is about seeking to orientate all our activity and best endeavours on sharing in this work of God. The seven areas of focus are those things we believe will help us to align our energies and resources towards the single priority of Growing Disciples.

Each focus area is important and can make a real difference to the health and vitality of the local church, whether in the city, villages or towns of Nottinghamshire. However, the first and last of those (Inspiring Worship and Nurturing Prayer) are the spiritual engines that compel and enable healthy, sustainable growth, personally and together. It is in these two areas we have been doing some vital learning in the past few years, though the story of faith in this diocese can only be understood in terms of the power of prayer and inspiring of worship. Listening to stories from the church in other parts of the nation and world, there is a clear sense that God is purifying and preparing his church for new opportunities and service ahead – many are feeling a fresh calling to pray for spiritual revival of faith.

I am aware that it can be discouraging when you sense that new things are happening elsewhere and spiritual renewal seems far off in your setting and the personal challenges of life are overwhelming. That is why we need each other. It is why a diocese, at its best, can create a genuine sense of partnership in the gospel as we support one another, and continue waiting on the Lord in prayer for the blessing he promises to bring. Serving together we can remain enduringly hopeful, with joy and thankfulness for what God is doing. Each one of the Living Hope Stories belong to the whole church as a reminder of the power and love of the Holy Spirit touching people's lives today. Wherever you work and worship do not lose heart.

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There are certain to be challenges ahead. No blessing goes uncontested. This will rightly compel us to deeper dependence on God, but also to deeper repentance in the calling to be a holy church. Continuing to improve all aspects of Safeguarding therefore remains central to everything we do. Serious past and more recent failings continue to come to light. We should be thankful they are coming into the light to be addressed, though they are painful and deeply humbling for the Church of England. The response to, and care for, the needs of the victims and survivors of church abuse is how we determine the extent to which we have learned from the failings and continue to press forward with improvements in the present. Building healthy relational and spiritual cultures across the church remains essential, which we are giving particular attention to in the work of the diocese.

Thank you for your generosity in every way you serve God in his church at this time, laden potential for renewal and growth. Thank you especially to the many of you who have worshipped and prayed and worked so hard in the life of our diocese leading us to this moment. Welcome to those of you who are very new to faith and the mission of the church in this diocese.

"We always thank God for all of you...We remember before our God and Father your work produced by faith, your labour prompted by love, and your endurance inspired by hope in our Lord Jesus Christ." (1 Thessalonians 1:2-3)

With every blessing





The Rt Revd Paul Williams
Bishop of Southwell and Nottingham

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1.2 ADMINSTRATIVE DETAILS

TRUSTEES
In accordance with the Companies Act 2006, The Statement of Recommended Practice 2019 (SORP 2019) and Financial Reporting Standard 102 (FRS 102), the Trustees (for the purposes of charity law) and Directors (for the purposes of company law) during the year and as at the date of signing follow:

PRESIDENT
The Lord Bishop of Southwell and Nottingham, Right Revd P Williams

BISHOP'S COUNCIL AND STANDING COMMITTEE OF THE DIOCESAN SYNOD (BEING THE FINANCIAL EXECUTIVE OF THE DIOCESAN SYNOD AND THE BOARD OF DIRECTORS OF THE BOARD OF FINANCE)

EX-OFFICIO
The Rt Revd The Bishop of Southwell & Nottingham
The Rt Revd The Bishop of Sherwood
The Very Revd The Dean of Southwell
The Venerable The Archdeacon of Newark
The Venerable The Archdeacon of Nottingham
The Chair of the House of Clergy of the Diocesan Synod (Revd S Hustwayte)
The Chair of the House of Laity of the Diocesan Synod (Mr M Wilson)
The Chair of the Finance Committee (Canon M Arlington)

ELECTED BY THE SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD

CLERGY
Newark Archdeaconry (2)
Revd Z Burton
Revd J Hyatt (from 01.09.24)

CLERGY
Nottingham Archdeaconry (3)
Revd D Bocchetti (from 01.09.24)
Revd Dr J Mole (from 01.09.24)
Revd Dr M Wreford (from 01.09.24)

Co-opted
Revd Canon M Tanner (b) (appointed 29.09.24)

LAITY
Newark Archdeaconry (4)
Professor P Harris (b) (from 25.11.24)
Mr R Brand
Mrs T Pearse (from 01.09.24)
Dr P Lake (from 25.11.24)

LAITY
Nottingham Archdeaconry (6)
Mr M Bolton
Mr T Bramall (from 01.09.24)
Mr R Cleave (a)
Mr P Fisher (from 01.09.24)
Miss S Waterston
Mrs J Robins (née Gray)

(a) Member of the Finance Committee
(b) Member of the Board of Education

The following trustees resigned on 31.08.24
Canon S Sylvester, Mrs C Shaw, Mr C Barber and Mr R Gutteridge.

PRINCIPAL OFFICERS AND ADVISORS

Diocesan Chief Executive & Company Secretary	Mr M L Cooper
Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance	Mrs A J Redgate LLB

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JUBILEE HOUSE LEADERSHIP TEAM

Director of Discipleship & Ministry	Revd James Halstead
Diocesan Director of Education	Mr N Frith
Director of Communications	Vacant
Director of Finance	Mrs K Proctor
Programme Manager	Mr N Peake
HR Manager (resigned 31.12.24)	Mrs J Brothwell
Diocesan Safeguarding Advisor	Mr J Hodgson

BANKERS
Lloyds Bank Nottingham

SOLICITORS
Rotheras, Nottingham

MINING, MINERALS, ENGINEERING INSURERS & ENVIRONMENTAL CONSULTANTS
Mineral Surveying Associates

AUDITOR
BHP LLP
2 Rutland Park
Sheffield
S10 2PD

REGISTERED ADDRESS
Jubilee House
Westgate
Nottingham
NG25 0JH

CHARITY NUMBER
249359

COMPANY NUMBER
00034165

INVESTMENT MANAGERS
CCLA Central Board of Finance of the Church of England
Rathbones Investment Management Ltd
Ruffer LL

CHARTERED SURVEYORS
Jas. Martin & Co, Lincoln
Tanners, Nottingham

INSURERS
Ecclesiastical Insurance Group

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LEGAL OBJECTS

The Trustees, who are also Directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in 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.

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

This combined report satisfies the legal requirements for:

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

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

The Board has the following statutory responsibilities: -

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

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

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PUBLIC BENEFIT

The Trustees are 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 Trustees believe that, by promoting the work of the Church of England in the Diocese of Southwell & Nottingham, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Board for the purposes of Company Law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe methods and principles in the Charities SORP 2019 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
In so far aware the trustees are aware:

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

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

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TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out in the section on Structure and Governance. Trustees are given an induction at the outset of the triennium and at other times as needs are identified. They are also informed before seeking membership and at all other relevant times, of the role and function of the Committee. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act.

VOLUNTEERS

The Board 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 the church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly in times of crisis. Within this context, the Board greatly values the considerable time given by all the committee members across the diocese in pursuit of the mission of the Board.

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STRATEGIC REPORT

3.1 VISION AND STRATEGIC OBJECTIVES

We have a vision of **'Living Hope for the city, towns and villages of Nottinghamshire and beyond'.** We recognise that our world is in desperate need of hope. In a post-Covid age and cost of living crisis, with our country's structures and systems under pressure and the increasing mental health challenges facing young people, the cry for hope is clear. A hope that brings transformation and new life, healing and wholeness. We believe that hope is found in Jesus Christ, which the church is uniquely placed to share in every community.

This is lived out through **our calling and mission for 'Growing Disciples of Christ with Compassion, Confidence and Courage'.**

Compassion: To meet the world's deepest needs with Jesus' love
Confidence: To root our life and faith in Jesus
Courage: To share Jesus with all our hearts

We have identified **7 Areas of Focus** for mission and ministry in parishes and across the life of our Diocese. We hope these will act as reference and review points and drive investment and prioritisation of time, energy and resources:

Inspiring Worship: Because coming together to meet with God should be the most captivating time of anyone's week.
Reaching Younger: Because Jesus is the surest foundation for life.
Enhancing Diversity: Because each person matters to Jesus and is precious in his sight.
Growing Leaders: Because the harvest is plentiful.
Enabling Commitment: Because there is nothing better anyone can do with their life than become a follower of Jesus.
Encouraging Generosity: Because we serve a God of abundance and every good gift comes from him.
Nurturing Prayer: Because prayer changes everything.

The Board resources the vision, mission and areas of focus through the support of 250 parishes and networks across the Diocese. The annual budget has been set against this background, designed to provide adequate resources to fund the present, as well as to shape the future, in a way that is fit for our missional task. We continue to prioritise the appropriate provision of stipendiary parish clergy and licensed lay workers across the Diocese.

The Board's strategy for achieving its objectives is to adopt a methodology of limiting central sources of expenditure in favour of both releasing funds for mission and minimising the increase in Parish Share. The Board continues to maintain the sound financial structure needed to enable it to continue supporting the clergy and lay workers through the payment of stipends, managing parsonages and other ministerial housing. It provides resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

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3.2 ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

2024 has been an exciting year of growth and renewed vision for our Diocese. In March 2024 we shared our refreshed vision for 2030 across three vision evenings with over 400 clergy, churchwardens and other leaders in attendance. This was then shared further through engaging videos, printed booklets (translated into 6 languages) and bespoke church invitation cards, as well as an innovative Vision 'Minecraft World' for young people to explore the diocesan vision in a digital space.

As part of our refreshed vision, our primary activities and achievements are viewed through the lens of our 7 Focus Areas.

INSPIRING WORSHIP

Our average worship attendance has continued to increase with an 8% increase in all ages of church attendance between 2022-23, including a 14% rise in children and youth attendance. This is an encouraging sign of growth across our churches in a range of diverse contexts and settings. The Strategic Development Funding (SDF) we've received in previous years has helped to accelerate this in places. For example, St Swithun's in Retford (part of SDF-3) have seen growth from 15 people gathered to over 100 in their church, including a significant portion of children/youth. Similarly, St Saviours in the Meadows (which is supported in part by SDF-4) as part of a Church Revitalisation, have seen their Sunday attendance almost double in the past year (35 to 69).

In the summer we launched Flourish, our 'Church in Secondary School' pilot, which is part of a national initiative to develop 40 new worshipping communities across the country. This follows successful experience and work in primary schools with 'Connect' – an after-school ministry aimed at children and families. Our Flourish Pilots are currently in development at the Minster School in Southwell, Magnus C of E Academy in Newark, Queen Elizabeth's Academy and Samworth Academy in Mansfield and will provide new opportunities for gathered Worship.

Our Growing Disciples fund continued to support parishes grow in their mission and ministry. This year 60 applications received approximately £117,000 to support in a range of contexts from inner-city, to market towns and villages.

REACHING YOUNGER

We have strategically aimed to make a step change in provision for children, families and youth ministries across the diocese in 2024, supported by our SDF funding. Encouragingly we have seen 715 new younger disciples (3-18 yrs old) against a target of 675, of which 482 are children (3-11 yrs) and 233 are youth (12-18 yrs). This has been supported by working intentionally with 40 churches across the Diocese in this area, with now 15 centres of strength and 21 churches showing a positive increase in children and youth attendance over this past year. 19 churches have journeyed through our year-long 'Inspire' programme (which brings total of attendees to 30). This course provides teaching and training, as well as space to network and share good practice across centres. Through this intentional work we now have over 300 children, families and youth ministry volunteers across the Diocese.

The Diocesan Education Team continues to strongly support the 73 church schools in our Diocese and the 20,000 children and young people they represent. They offer every child or young

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person a positive encounter with Christ, coupled with an invitation to ask life's biggest questions, search for truth and decide where they will place their faith. In support of these amazing schools, the Education Team continues to offer professional, personal and spiritual support to school leaders and governing bodies. The team have provided a variety of training opportunities, including the annual church school leaders' conference with over 100 attendees, which focused on the theme 'rooted in love' this year.

ENHANCING DIVERSITY

Our Ordinands and Licensed Lay Ministers represented our most diverse cohort to date in ethnicity, ecclesiology and cultural background. The 10 LLM candidates from 9 churches represented inner-city Nottingham, urban-estates, market towns, post-industrial towns, and rural locations to the north and west of our diocese. Although there is still a long way to go, our leadership is beginning to represent further the wonderful diversity we see across the life of our parishes.

We were pleased to celebrate in the summer the 30th anniversary of the ordination of women to the priesthood in the summer. This included an afternoon gathering of female clergy from across the Diocese which was followed by a celebratory Evensong in the Minster. This was a great opportunity to celebrate the significant contribution female leaders have brought to the Diocese.

Alongside this, our communications team have helped resource and support churches in providing translated vision documents. Churches were asked through an online form which languages would be helpful for translation, and the top 6 language requests have been developed releasing documents in: Farsi, Spanish, Polish, Ukrainian, Arabic and Cantonese. This is part of a wider aim to make all our vision and resource material more accessible for those who have English as a second language.

GROWING LEADERS

Through our Petertide Ordinations, we were pleased to welcome a diverse cohort of 7 deacons and 14 priests who now lead and serve across our city, towns and villages. As mentioned above, we also welcomed 10 Licensed Lay Ministers (LLMs) adding to a total of 59 LLMs under the new scheme across the Diocese. We are also pleased that our largest group yet are currently 'in training' with many planned to be licensed in 2025.

Our internship 'The Apprentice Track' continues to be a significant and important pipeline for leadership development as part of the Younger Leadership College. In September 2024, 28 young adults from across 10 churches started the new year of our intern programme with 19 in our year 1 Apprentice Track and 9 in our year 2 Leadership Track. This is our largest group of interns to date and shows the growing desire for leadership training and spiritual formation amongst our young adults.

Two of our key events for leadership development are the Bishop's Study Day and Diocesan Conference. These were a particular highlight of the year - hearing not only from guest speakers (on wellbeing in ministry and leadership) and both our bishops but also taking time to reflect on 'Inspiring Worship', 'Growing Leaders' and 'Enabling Commitment' through input and stories from parishes across the whole spectrum of churches and contexts in our diocese. These events run alongside our ongoing support for clergy through the bishop's fireside groups and learning communities that operate across our deaneries.

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ENABLING COMMITMENT

2024 saw us pilot the new DISCIPLE course in Ollerton and Stapleford with over 35 churches represented in attendance. This course is an adaptation of the popular RealLIFE programme aligned to our new diocesan vision. We also another saw another cohort complete our 'Leading in Evangelism' learning community, shaping faith-sharing cultures in churches across our different contexts.

Over the year we celebrated 162 confirmations across all contexts of our Diocese. These were accompanied by encouraging testimonies of faith from all walks of life, alongside new commitments to faith through children and adult baptisms.

As part of the refreshed vision, our communication team began filming 'Living Hope Stories' with a focus to rediscover testimony as a key tool to church growth. These will be shared and launched at the start of 2025 with the intention of reaching many with the good news of Christ's Living Hope, with an expectation of 100,000 views on the channel in year 1.

Our chaplaincy teams continue to minister in a diverse array of settings including Prison, Healthcare, Emergency Services, Workplace, Higher Education, Sport and Rural. In one of the prisons there have been 9 baptisms over the past year while one of part time hospital chaplains have been able to support over 700 contacts including patients, staff and visitors (More details of these can be read in our chaplaincy impact report). Our social transformation partnerships have also continued into this year providing opportunity for outreach and connection with Citizens UK, Refugee Roots and Transforming Notts Together (TNT). The aim of these partnerships is to equip and support local churches as their members seek to grow in practical discipleship.

ENCOURAGING GENEROSITY

2024 saw a significant change and step forward in the way the Diocese encourages generosity across Parishes, as we set out a 10 year 'Journey of Generosity'.

This was developed through the support of the Parish Share Review Group (meetings for this group first began in 2023) who produced a helpful report summarising the current position of Parish Share and the strategic plans to help address the deficit between Share asked and Share received. This has been summarised through 13 recommendations which have begun to be implemented.

Improvements include four new cost categories for greater clarity in ministry spending, 10-year trajectories for parishes to also improve clarity and enable planning/growth, and the formation of a Parish Share Team. To communicate these changes, 'Deanery Roadshows' were held through September-November and were well attended, facilitating helpful discussion. Encouragingly there was a 4.6% increase in Parish Share giving from 2023.

This year we had the second phase of the rollout of Free Digital Giving devices, supported by the National Church. We also launched the Parish Giving Scheme with encouraging signs of impact. Our pilot benefice saw 50% of current givers agreeing to inflation increases each year, with approx 10% being new donors and 25% of previous donors having decided to increase their monthly amount. This will be open to all parishes in 2025.

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NURTURING PRAYER

At the core of our activities for 2024 has been our renewed commitment to prayer. This has continued through our diocesan days of prayer which have offered opportunity for people across the diocese to gather in the State Chamber for an evening of prayer and worship, as well as joining with other prayer activities on the same day such as a Nottingham City Prayer and Fuel Youth Worship and Prayer.

In October we organised a Diocese Prayer Run - the first of its kind. This was an opportunity to pray along a 120km route from the north to the south of our Diocese, stopping at 30 churches along the way over 6 days. We were joined by over 30 runners and 100 people to pray across the various locations, with a united heart for Christ's Living Hope to flow in the city, towns and villages of Nottinghamshire and beyond.

Our communications team also produced a number of resources to support and encourage prayer throughout the year, including Prayer Cards during the Euro 2024 football tournament, encouraging prayer for countries across Europe. This was shared widely across the UK and was featured on Premier Christian Radio.

SAFEGUARDING

Underpinning all our 7 areas of focus is the vital role of safeguarding. We are committed to the safeguarding of everyone in our parishes and communities across the diocese – within a culture where safeguarding is everybody's responsibility.

Throughout 2024, we have been supporting parishes to input evidence of compliance to the National Safeguarding Policies and practice guidance through the Parish Dashboards and the Safeguarding Hubs. We now have over 80% of parishes actively using the Dashboards. This includes Dashboard and Hub champions (Parish Safeguarding Officers who have implemented both) so that they can support local parishes after the initial induction provided by the diocese.

A particular highlight from the year was the Annual Safeguarding conference which was held at Christ Church Worksop in June. The focus of the conference was to introduce the National Safeguarding Standards, and the discussions on this have enabled us to develop a range of resources for parishes to record the evidence that they are meeting the five standards.

In 2023 there was a significant increase in the need to provide parish support. In response the safeguarding team adjusted the duties in early 2024 of the caseworker and training manager to facilitate designated hours for parish support. They will be undertaking further review as the demand continued to rise throughout the year.

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3.3 FUTURE PLANS

CHURCH GROWTH PROGRAMME IMPLEMENTATION

During 2024, the central support team worked with parishes on a comprehensive proposal to the new Strategic Mission and Ministry Investment Board (SMMIB). This proposal was approved in November 2024 and enables funding of £33.16 million – £12.1 million of this is subject to further approvals**.** The implementation of these strategic plans will form a key part in the acceleration of our vision and mission from 2025 onwards.

This funding over the next 10 years will seek to provide the training and deployment of over 40 frontline lay and ordained leaders as well as children and youth workers. A major pilot project will be launched to renew groups of rural churches in the diocese, drawing on lessons from effective outreach in urban Nottingham and existing projects in rural Nottinghamshire and the Connect initiative of church in school. Additional mission resource will be available to any parish church in the diocese through enhanced Growing Disciples grants, as well as context-specific grants for Resourcing Churches and Church Revitalisations.

FURTHER STEP CHANGES IN OUR AREAS OF FOCUS

In the year ahead we hope to continue our work in all 7 Areas of Focus, but there are 3 that we hope to make a particular step-change in during 2025.

The first is **Enabling Commitment** – we shared an invitation at the end of 2024 for parishes to run a 'Nurture Course' (a short course for people to explore faith, for example, Alpha) in the new year. Our prayerful aspiration is to see 50 new courses running in the Spring of 2025. We hope this will lead to a number of baptisms and confirmations in the year ahead, and that some of these stories will then be shared as part of our 'Living Hope Stories' series.

Following this, in Summer we also hope to develop a further step change in **Growing Leaders.** We plan to do this with a particular focus on our internship and lay vocation streams and utilise more information evenings and training events. We are also planning to share more stories of ordination and vocational pathways, especially of those who have journeyed through our internship programme.

Thirdly **Nurturing Prayer**. We have seen throughout this year how central prayer is to all our activity, and the impact it has on our other Areas of Focus. For 2025 we will continue to organise our monthly Diocesan Day of Prayer, a second prayer run (from the East to the West) and explore more innovative ways to engage all ages and backgrounds in prayer.

SAFEGUARDING

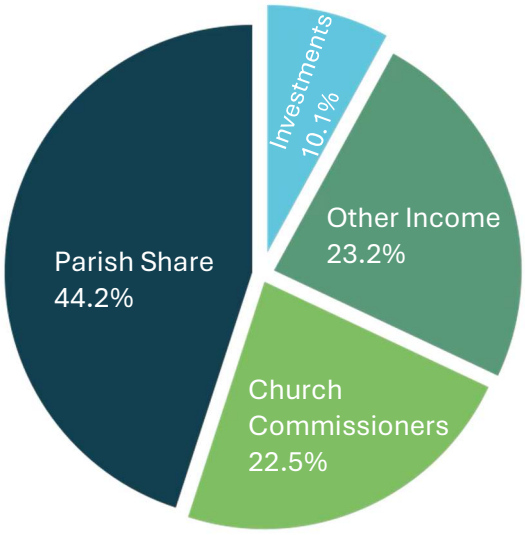
In January 2026, the diocese and the Cathedral will be measured against the National Standards by a company called INEQE. They have been commissioned to carry out audits of all 42 dioceses between 2024 and 2027. In preparation for this, our Safeguarding team will be running a series of workshops throughout the year alongside further refresher training.

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3.4 FINANCIAL REVIEW

2024 INCOME SUMMARY

The main income to the Board is from parishes giving Parish Share. The Trustees are immensely grateful to all the parishes who continue to contribute to parish share and supported Ministry in the Diocese. We cannot achieve this without their support.



Income for 2024 amounted to £12.9M (2023: £12.1M), This income is spread over 4 income streams:

Parish Share – £5.7M
Following the Parish Share Review, Parish Share contributions are calculated for each individual parish. The formation of a Parish Share Team (including Chief Executive, Archdeacons and Finance Director) enable decisions to be made in line with the refreshed diocesan vision and strategy.

Church Commissioners – £2.9M
The Church Commissioners pay for the bishops' stipends, their office and working costs, most cathedral stipends and grants to cathedrals. These costs are NOT included in the Diocesan budget. The Church Commissioners provide direct support to dioceses through a number of funding streams.

Returns on Investments - £1.3M
The Diocese earns income from its historic investments. Investment is split between property in the form of agricultural land and commercial property and direct financial investments in bonds and equities. Annually we receive rents and dividend income.

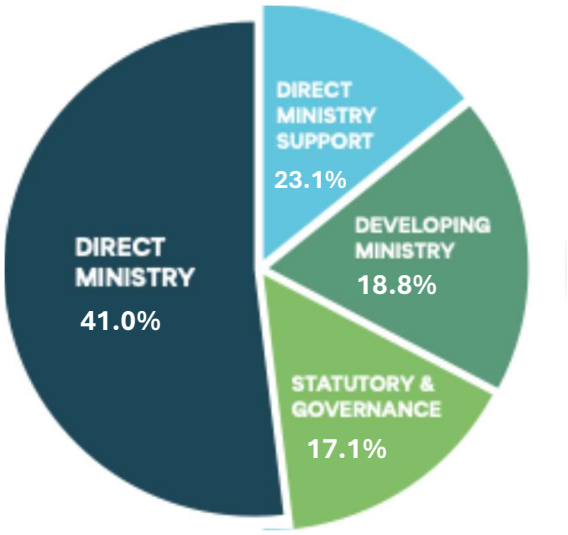
Other Income – £3M
The trust acknowledge with thanks grants from third parties such as C of E Ministry Experience Scheme (CEMES) who provide an annual grant towards the costs of the Intern Programme and the Benefact trust. We also receive income from strategic partnerships with schools, activity-based income from parochial fees.

	2024	2023
Percentage of parish share received	92.1%	80.1%
Average rate of return on investments	3.78%	3.95%

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2024 OUTGOING SUMMARY

Expenditure for 2024 amounted to £11.7 M (2023: £11.4 M). This expenditure is spread over 4 cost categories:



Direct Ministry – £4.8M
Incumbents are appointed to parishes to lead mission and ministry. The remuneration of clergy includes the cost of stipend, housing (including council tax and water rates), pension and National Insurance.

Direct Ministry Support – £2.7M
Across the Diocese we work together to nurture and support local churches as we seek to Grow Disciples and reach our local communities with the Living Hope of Jesus. To this we rely on the skills and expertise of colleagues in safeguarding, clergy wellbeing, youth and children's ministry advisors, archdeacons' team, deanery administrators, parish giving advisors, school/workplace chaplains and support for parishes in vacancy through sequestration.

Developing Ministry – £2.2M
We are focused on growing both the present and future generation of ministry leaders. We invest in discerning both lay and clergy vocations, lay and ordinand training and development, curate stipends, housing (including council tax and water rates), pension and National Insurance and the cost of the intern programme.

Statutory & Governance – £2.0M
As for all charitable companies, we need to comply with statutory requirements. We support local Parochial Church Councils (PCCs) to fulfil their statutory obligations through the Diocesan Advisory Committee (DAC), Registry, Finance Team and Communications Team. We are also required to contribute to the costs of National Church support functions.

BALANCE SHEET

The Trustees consider that the balance sheet, together with details in notes 22 and 23, show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £92,847,000 (2023: £89,885,000 as restated) it must be remembered that included in this total are a considerable number of properties, mostly in use for the ministry and mission of the Board, whose value amounted to £32.4 million (2023: £32.2 million). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the Board.

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RESTRICTED AND ENDOWMENT FUNDS

As set out in note 22 the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2024 restricted funds totalled £12.2m (2023: £9.8m as restated) and endowment funds totalled £64.1m (2023: £63.6m as restated).

DESIGNATED FUNDS

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer required. A description of each reserve together with the intended use of the reserve is set out in note 21. At 31 December 2024 total designated reserves were £9.2m (2023: £9.2m).

FREE RESERVES

The Board of Finance has considerable responsibilities including the remuneration of approx. 123 stipendiary clergy, the employment of over 60 full or part time staff and the upkeep of around 190 houses. Most of the Board's income is voluntary with half coming from Parish Share and the balance made up of grant income from Archbishops' Council and income investments and other sources. In light of this and the flow of income, the Trustees have determined that it is prudent to hold free reserves at least equivalent to general fund expenditure over two months i.e. £1.5m.

At 31 December 2024, the Board of Finance's free reserves were £4.3m (2023: £3.9m). The trustees consider that with the continued uncertainty around the economic situation together with the changes in the way that Dioceses are resourced from Church Commissioners, and the continuing pressure on parish share, the increased holding of free reserves is prudent.

FUNDS HELD ON BEHALF OF OTHERS

As Custodian Trustee

The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of a separate bank account and accounting system.

On behalf of Schools

The Board of Education (as incorporated within the Board) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also Government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out.

The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

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GRANT MAKING 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 of Finance to support the furtherance of the Board of Finance's objects.

Mission Development Funding from Archbishops' Council has now ceased, so the designated fund will be used to support the existing projects.

FUNDRAISING

The Board of Finance does not carry out significant public fundraising activities and did not receive any complaints relating to fundraising during the year.

3.5 PRINCIPAL RISKS

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

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

1. **Failure to deliver Diocesan vision and strategy** – the risk is this will cause an overall decline in congregations and reductions in financial giving, limited ongoing mission and ministry due to financial constraints.

Existing Mitigation

- Good communication of vision and strategy both internally and externally as an organisation.
- Clear implementation plans and effective monitoring underpinned by prayer.
- Senior Leadership alignment to ensure vision and strategy stays central to the future of the Diocese.

2. **Impact on inability to recruit and retain capable staff and clergy within Diocese** – this risk could create an inability to implement strategic vision and manage the Diocese efficiently

Existing Mitigation

- Continued Investment in our pipeline for ordained ministry, with an ongoing focus on our internship scheme 'The Apprentice Track'.
- Ongoing staff development and training to both retain existing talent and attract the right candidates from outside the organisation.
- Clergy/staff terms and conditions.

3. **Divergence of doctrinal views causing split in church** – this risk, fuelled by contemporary discussion and debate, could result in reduced attendance and giving. Alongside this it may also

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limit collaborative thinking and practice, as well causing reputational damage for the Diocese and parishes.

Existing Mitigation

- Proactive, regular communications with clergy and parishes through email and in-person gatherings
- An agreed openness to engage with particular issues or tensions together, to nurture a culture of radical candour

4. **Significant event (s) fails to project a good image and causes significant reputational damage within the Church and beyond** – this risk may cause an abrupt and sudden decline in attendance and/or financial giving

Existing Mitigation

- Ongoing monitoring of wider church events that would affect the Diocese
- Good Communication Team and focus, particularly with PR skills and support
- Connection with the national communications team to help the support and sharing of knowledge when required

5. **Significant failure of Safeguarding, past or present** – this may cause reputational damage for the Diocese, or cause increased harm or impact on survivors of abuse

Existing Mitigation

- Training provided to all appropriate parish/diocesan personnel.
- Employed specialist safeguarding staff to deal with all safeguarding allegations and issues
- External reviews, with Diocesan Safeguarding Advisory Panel (DSAP) and independent chair who's role is to ensure proper governance of the safeguarding structures and to assist the diocese in ensuring recommendations from the national church are implemented

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STRUCTURE, GOVERANCE & MANAGEMENT

Southwell and Nottingham is one of 42 dioceses in the Church of England covering the whole of Nottinghamshire and a small section of South Yorkshire and North Leicestershire. It is administered through the Board, a charitable trust company limited by guarantee. The Diocese is arranged as 2 archdeaconries, Newark covering the north part with 4 deaneries and Nottingham the south with 5 deaneries. In total there are some 250 parishes.

Each Diocese is a separate entity led by the Bishop and is governed by the Canons of the Church of England and the Acts and Measures of General Synod as well as state legislation that relates to companies and charities. In Southwell and Nottingham, the Diocesan Bishop is assisted by the Suffragan Bishop of Sherwood.

At national level the Diocese relates to the Archbishops' Council, the Church Commissioners and the Church of England Pensions Board. Further information can be found at www.churchofengland.org. The financial transactions of these bodies do not form part of these statements.

Each diocese is divided into benefices which are made up of parishes. The priest of a benefice is an office holder who shares the cure of souls with the Bishop. Matters relating to finance and parish owned property in a parish, are the responsibility of the Parochial Church Council, each of which is an individual charity separate from the Diocese. Benefices are grouped together in nine Deaneries which are units of mission, conduit of communication and whose members elect the members of General and Diocesan Synod.

SOUTHWELL MINISTER

This is the cathedral church of the diocese and is itself a separate legal entity. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Southwell Minster, Church Street, Southwell, Nottinghamshire, NG25 0HD.

THE BOARD OF FINANCE AND DIOCESAN SYNOD

Within the Diocese there are two major bodies - the Diocesan Synod and the Board of Finance: the membership of both is coterminous.

BOARD OF FINANCE

The company, Southwell & Nottingham Diocesan Board of Finance, was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 5 June 1891 as a charitable trust company limited by membership guarantee (No. 34165) and its governing documents are the Memorandum and Articles of Association. The Board of Finance is registered with the Charity Commission (No. 249359).

The company, originally called the Southwell Diocesan Finance Association, changed its name to the Southwell Diocesan Board of Finance on 18 January 1932. On 28 February 2006, the company changed its name to the Southwell & Nottingham Diocesan Board of Finance.

As a member of the Board, each member of Synod has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

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DIOCESAN SYNOD

Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the Diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, plus up to 20 co-options.

The Diocesan Synod usually meets twice a year.

Its role is to:

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

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council.

THE BISHOP'S COUNCIL (AND STANDING COMMITTEE OF THE DIOCESAN SYNOD)

The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of 8 ex officio members (the Diocesan and Suffragan Bishops; 2 Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; and the Chair of the Finance Committee), 5 clergy elected by the House of Clergy from among their number (3 from the Archdeaconry of Nottingham and 2 from the Archdeaconry of Newark) and 10 lay persons elected by the members of the House of Laity representing deaneries (6 from the Archdeaconry of Nottingham and 4 from the Archdeaconry of Newark) and up to 4 co-opted members of Diocesan Synod. Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- to plan the business of the Synod,
- initiate proposals for action by the Synod and to advise it on matters on policy;
- to advise the Diocesan Bishop, on any matters which he may refer to the Council;
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- to appoint members of committees or nominate individuals for election to committees; and
- to carry out such functions as the Synod may delegate to

DECISION MAKING STRUCTURE

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Southwell and Nottingham, are set by the Diocesan Synod and the Board.

The company meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Board. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold up to eight meetings during the year

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to formulate and coordinate policies on mission, ministry and finance. The Trustees rely upon the Diocesan Chief Executive and their team of six departmental directors for the delivery of the day-to-day activities of the company. The Diocesan Chief Executive is given specific and general delegated authority to deliver the business of the Board in accordance with the policies framed by the Trustees. Council are also the members of 2 statutory committees:

- **Parsonages Committee**, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, team vicarages and houses owned by the Board of Finance.
- **Diocesan Mission and Pastoral Committee**, which is responsible for the task of recommending pastoral reorganisation to the Bishop.

Other statutory committees include:

- **Diocesan Advisory Committee**, which advises on matters affecting church buildings and places of worship including the granting of faculties, the use and care of places of worship and their contents and the care of churchyards.
- **Southwell & Nottingham Diocesan Board of Patronage**, which is constituted under the provisions of the Patronage (Benefices) Measure 1986.

In addition to the statutory committees Bishop's Council has set up the **Finance Committee**, which has written terms of reference, to advise it on all financial matters. The Finance Committee meets regularly, approximately five times each year and works closely with the Diocesan Chief Executive and Director of Finance. The Finance Committee has decided, in order to give considered advice to the Bishop's Council and to understand the detail of diocesan finance, to set up the Audit & Risk Committee which advises the Finance Committee and thereby Bishop's Council, in the discharge of the Trustees' responsibilities for accounting policy, internal control, financial reporting and risk management.

REMUNERATION OF KEY PERSONNEL

A job evaluation scheme is used to determine the salary grades of employed posts. Office holders are paid either the Diocesan stipend or that advised by the Archbishops' Council acting as the Central Stipends Authority.

GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that, despite the uncertainty of the current economic climate, the Board has sufficient monetary reserves to meet all their obligations as they fall due. The trustees consider that given the level of investments and reserves held the going concern basis is appropriate.

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DISCLOSURE OF INFORMATION TO THE AUDITOR

We, the Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant information and to establish that the company's auditor is aware of that information.
- In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company directors

APPOINTMENT OF AUDITORS

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

BY ORDER OF THE TRUSTEES

+Paul Southwell and Nottingham
Signer ID: 05L8MRADJU...

The Right Revd Paul Williams
Chairman
*Date:*22/05/2025 GMT

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Southwell and Nottingham Diocesan Board of Finance (the 'charity') for the year ended 31 December 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with management and trustees, and from our knowledge and experiences of the sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

BHP LLP

Signer ID: IPFNE7JEI6...

Laura Masheder (Senior statutory auditor)
for and on behalf of
BHP LLP
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: 02/06/2025 GMT

Document ID: 508a7f72a791f7ad464536c837fc359487de5c5dc9796f693bf5c17743246391

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income and endowments from:						
Donations and legacies	3	**7,794**	**981**	**-**	**8,775**	8,528
Charitable activities	4	**796**	**33**	**-**	**829**	848
Other trading activities	5	**687**	**-**	**-**	**687**	663
Investments	6	**353**	**911**	**-**	**1,264**	1,261
Other income	7	**205**	**1,123**	**-**	**1,328**	818
Total income and endowments		**9,835**	**3,048**	**-**	**12,883**	12,118
Expenditure on:						
Raising funds	8	**147**	**274**	**-**	**421**	548
Charitable activities	9,10	**9,764**	**1,470**	**-**	**11,234**	10,851
Total expenditure		**9,911**	**1,744**	**-**	**11,655**	11,399
Net (expenditure)/income before net gains on investments		**(76)**	**1,304**	**-**	**1,228**	719
Net gains on investments	15,16	**286**	**1,077**	**457**	**1,820**	1,967
Net movement in funds before other recognised gains/(losses)		**210**	**2,381**	**457**	**3,048**	2,686
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	**6**	**-**	**-**	**6**	(56)
Pension surplus not recognised	27	**(92)**	**-**	**-**	**(92)**	-
Net movement in funds		**124**	**2,381**	**457**	**2,962**	2,630

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Reconciliation of funds:						
Total funds brought forward (as restated)		**16,414**	**9,836**	**63,635**	**89,885**	87,255
Net movement in funds		**124**	**2,381**	**457**	**2,962**	2,630
Total funds carried forward		**16,538**	**12,217**	**64,092**	**92,847**	89,885

The Statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

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SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

(A company limited by guarantee)
REGISTERED NUMBER: 00034165

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note		2024 £000		As restated 2023 £000
Fixed assets					
Tangible assets	14		**36,322**		36,146
Investments	16		**31,724**		30,321
Investment property	15		**21,509**		21,154
			89,555		87,621
Current assets					
Debtors	17	**958**		1,024	
Cash at bank and in hand		**3,865**		3,135	
		4,823		4,159	
Creditors: amounts falling due within one year	18	**(1,426)**		(1,790)	
Net current assets			**3,397**		2,369
Total assets less current liabilities			**92,952**		89,990
Creditors: amounts falling due after more than one year	19		**(105)**		(105)
Net assets excluding pension asset			**92,847**		89,885
Defined benefit pension scheme asset	27		**-**		-
Total net assets			**92,847**		89,885

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BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

	Note		2024 £000		2023 £000
Charity funds					
Endowment funds	21		**64,092**		63,635
Restricted funds	21		**12,217**		9,836
Unrestricted funds					
Designated funds	21	**9,226**		9,226	
General funds	21	**7,312**		7,188	
Total unrestricted funds	21		**16,538**		16,414
Total funds			**92,847**		89,885

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

+Paul Southwell and Nottingham
Signer ID: 05L8MRADJU...

The Bishop of Southwell and Nottingham

Michael Arlington
Signer ID: SCXT5LS1PL...

Canon M Arlington

Date: 22/05/2025 GMT

The notes on pages 34 to 72 form part of these financial statements.

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**2024** **£000**	2023 £000
Cash flows from operating activities			
Net cash used in operating activities	24	**(1,399)**	(107)
Cash flows from investing activities			
Dividends, interests and rents from investments		**1,237**	1,261
Proceeds from the sale of tangible fixed assets		**1,537**	1,081
Purchase of tangible fixed assets		**(707)**	-
Proceeds from sale of investments and investment property		**8,140**	5,155
Purchase of investments		**(8,813)**	(9,003)
Net cash provided by/(used in) investing activities		**1,394**	**(1,506)**
Cash flows from financing activities			
Repayments of borrowing		**-**	(41)
Receipt of endowment		**-**	(9)
Net cash provided by/(used in) financing activities		**-**	**(50)**
Change in cash and cash equivalents in the year		**(5)**	**(1,663)**
Cash and cash equivalents at the beginning of the year		**4,613**	6,276
Cash and cash equivalents at the end of the year	25	**4,608**	4,613

The notes on pages 34 to 72 form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements are prepared in sterling which is the functional currency of the Board and are rounded to the nearest £'000.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

2.2 Going concern

The Board have prepared forecasts of income and expenditure for the period to 31 December 2026 that show deficit budgets. Due to the level of free reserves and cash resources held they are confident that they have in place plans to deal with the deficit budgets and any further financial losses that may arise.

The Board therefore continue to adopt the going concern basis of preparation for these financial statements.

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2. Accounting policies (continued)

2.3 Income

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

Parish share, and parochial fees are included on a receipts basis except for contributions received shortly after the period end that are explicitly relating to the period under review.

The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

Investment income is recognised at the time it is receivable. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably: 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. In respect of housing maintenance, the policy is only to provide for orders started before the year end. The cost of office premises and other service costs have been apportioned to departments to reflect the facilities used, the basis of apportionment being floor space or headcount.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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 of Finance to support the furtherance of the Board of Finance's objects.

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.

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2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Garden Equipment	-	20%	straight line
Solar panels	-	5%	straight line
Bungalow	-	1%	straight line
Motor vehicles	-	25%	straight line
Fixtures and fittings	-	10%	straight line
Other office equipment	-	20%	straight line
Computer equipment	-	33%	straight line
Caretaker bungalow	-	1%	straight line

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. The primary purpose of residential property is to provide accommodation for ministers in the Diocese. The freehold properties are held at cost or deemed cost by reference to the midpoint of the applicable council tax band as determined in 1996.

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 Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historic or deemed cost.

The Board's policy continues to be to replace unsuitable properties; to accommodate the changing geographical deployment of clergy within the Diocese; and to realise development potential, in some properties, thereby using our resources more effectively for the ministry of the Church.

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2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

One value linked loan house was sold during the current year, leaving two houses remaining.

2.6 Investments

Fixed asset investments are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. Glebe agricultural land is valued at 31 December each year by Jas Martin & Co, Chartered Surveyors. Dunham House is professionally valued by Mr R Davis of Geo Hallam and Sons. For commercial property a desk top valuation is provided by the Diocesan surveyor. Some properties included in the Southwell & Nottingham Board of Education restricted fund are not valued and are shown at cost as there is no readily available market value. The financial investments are managed in accordance with the policy statements (including the statement on pooled funds which will be appropriate for funds managed on a multi asset basis) and restricted stock lists provided by the Ethical Investment Advisory Group of the Church of England. Active ownership and engagement via the Boards investment managers can drive positive change in corporate behaviour and the Board believes that this is part of being a responsible investor. The Board will take account of environmental, social and governance issues for both ethical and financial reasons.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

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.

2.9 Liabilities and provisions

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

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

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2. Accounting policies (continued)

2.11 Pensions

The Board's staff are members of the Board's defined contribution pension scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 27). The pension costs charged to expenditure represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Lay staff who are members of the stakeholder pension scheme, or have their contribution paid into their own personal pension plan are accounted for in the month in which they are deducted. Deficit funding for the pension schemes to which Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year. The Board also operates a defined benefit scheme for the Board's employees whose employment began prior to 1 April 1993. The contribution rates for this scheme are set by the actuary using the actuarial valuation every three years.

2.12 Fund accounting

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

Unrestricted funds are the Board's corporate funds and are freely available for any purpose within the. charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:

General funds which the Board intends to use for the general purposes of the Board.

Designated funds are those funds set aside out of unrestricted funds by the Board for a specific purpose over whose use and purpose the Board has discretion. The accumulated capital fund is the amount transferred from the general' fund, gains less loss on investments and the directors' valuation of freehold property transferred at no cost.

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

Endowment funds are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the Board (Stipends Fund Capital, Benefice Houses and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

2.13 Employee benefits

When employees have rended service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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2. Accounting policies (continued)

2.14 Critical accounting estimates and assumptions

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension scheme liability
The present values of Church of England Funded Pensions Scheme and the Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme both depend on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net' cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying value of the pension liability. In the current year the Staff Retirement Benefit Scheme pension is in a surplus position which has not been recognised in the financial statements as material doubt exists around the ability to recover the asset.

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

3. Income from donations and legacies

	Unrestricted funds 2024 £000	**Restricted funds 2024 £000**	**Total funds 2024 £000**	Total funds 2023 £000
Parish share	5,746	-	**5,746**	5,497
Archbishops' Council	1,883	981	**2,864**	2,894
Other donations	165	-	**165**	137
	7,794	981	**8,775**	8,528
Total 2023	7,499	1,029	8,528	

The majority of donations are collected from the parishes of the diocese through the parish share system.

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Parish Share

	Unrestricted funds 2024 £000	**Total funds 2024 £000**	Total funds 2023 £000
Newark Archdeaconry	2,297	**2,297**	2,262
Nottingham Archdeaconry	3,299	**3,299**	3,133
Bishop's Mission Orders	150	**150**	102
	5,746	**5,746**	5,497

Current year parish share receipts represent 92.46% of the total apportioned (2023 - 80.1%). The parish share calculation was reviewed during 2017 and transition provisions applied to the Deaneries which have a large disparity with the way parish share was previously calculated.

Archbishops' Council

	Unrestricted funds 2024 £000	**Restricted funds 2024 £000**	**Total funds 2024 £000**	Total funds 2023 £000
Lowest income Communities LInC funding	1,290	-	**1,290**	1,271
Pooling of ordinands candidates' costs	15	-	**15**	171
Strategic Ministry Funding	578	-	**578**	423
Strategic Development Funding	-	981	**981**	1,029
	1,883	981	**2,864**	2,894
Total 2023	1,865	1,029	2,894	

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Other donations

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Benefact Trust Grant	111	**111**	129
Other grants	54	**54**	8
	165	**165**	137
Total 2023	137	137	

4. Income from charitable activities

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Statutory fees	292	-	**292**	316
Contributions to sector and other chaplaincy posts	90	-	**90**	95
Contributions to costs of lay staff posts	162	-	**162**	169
Church Commissioners'	-	-	**-**	20
Loan interest receivable	2	-	**2**	4
Other contributions and income	250	33	**283**	244
	796	33	**829**	848
Total 2023	814	34	848	

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5. Income from other activities

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Housing income	687	**687**	663
Total 2023	663	663	

6. Investment income

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Rents and income from mineral rights receivable	102	442	**544**	514
Dividends and interest receivable	229	469	**698**	747
Pension finance income	22	-	**22**	-
	353	911	**1,264**	1,261
Total 2023	785	476	1,261	

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7. Other income

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Endowment funds 2024 £000	**Total funds 2024 £000**	Total funds 2023 £000
Surplus on disposal of property	205	784	-	**989**	818
Diocesan share of proceeds	-	339	-	**339**	-
	205	1,123	-	**1,328**	818
Total 2023	18	-	800	818	

Diocesan share of proceeds relates to the diocese share of proceeds from properties not wholly owned by the diocese but where it is entitled to a share of any proceeds on disposal.

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	**Total funds 2024 £000**	Total funds 2023 £000
Glebe agent's fee	55	-	**55**	135
Other land agent commission and expenditure	65	169	**234**	305
Investment management charges	27	105	**132**	108
	147	274	**421**	548
Total 2023	451	97	548	

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9. Charitable activities

Summary by fund type

	Unrestricted funds 2024 £000	**Restricted funds 2024 £000**	**Total 2024 £000**	Total 2023 £000
Contributions to Archbishops' Council	447	-	**447**	449
Resourcing Ministry and Mission	7,759	1,144	**8,903**	8,515
Support for parish ministry	1,534	284	**1,818**	1,856
Expenditure on church schools and diocesan projects	-	42	**42**	9
Other expenditure	24	-	**24**	22
	9,764	1,470	**11,234**	10,851
Total 2023	9,645	1,206	10,851	

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9. Analysis of expenditure on charitable activities

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	**Total funds 2024 £000**	Total funds 2023 £000
Contributions to Archbishop's Council				
Training for Ministry	211	-	**211**	212
National Church Responsibilities	148	-	**148**	153
Retired clergy housing costs	88	-	**88**	84
	447	-	**447**	449
Resourcing Ministry and Mission				
Stipends, salaries and national insurance	4,950	1,144	**6,094**	5,510
Pension contributions	1,171	-	**1,171**	1,199
Housing costs	1,430	-	**1,430**	1,518
Removal, resettlement and other expenses	208	-	**208**	288
	7,759	1,144	**8,903**	8,515
Support for parish ministry	1,534	284	**1,818**	1,856
Expenditure on church schools	-	42	**42**	9
	1,534	326	**1,860**	1,865
Other expenditure				
Audit fees - audit	20	-	**20**	18
Audit fees - non audit	4	-	**4**	4
	24	-	**24**	22
Total 2024	9,764	1,470	**11,234**	10,851
Total 2023	9,645	1,206	10,851	

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10. Analysis of expenditure by activities

	Direct costs 2024 £000	Grants spend (note 11) 2024 £000	Support costs 2024 £000	**Total funds 2024 £000**	Total funds 2023 £000
Contributions to Archbishops' Council	-	447	-	**447**	449
Resourcing Ministry and Mission	8,835	68	-	**8,903**	8,515
Support for parish ministry	1,509	308	1	**1,818**	1,856
Expenditure on church schools and diocesan projects	42	-	-	**42**	9
Other expenditure	4	-	20	**24**	22
	10,390	823	21	**11,234**	10,851
Total 2023	9,975	857	19	10,851	

Where costs cannot be directly attributed to particular headings, they have been allocated or apportioned to activities on a basis consistent with the use of the resources. Central support costs are apportioned on the basis of the estimated usage of resources at Jubilee House. Governance costs comprise audit fees, costs relating to the preparation of the statutory returns and the costs of hosting Diocesan Synod.

The apportionment can be summarised as follows:

Resourcing ministry and mission 72.03% (2023: 81.62%)
Church Schools 19.02% (2023: 13.87%)
Diocesan Projects 6.83% (2023: 2.16%)
Governance 2.11% (2023: 2.34%)

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11. Analysis of grants made

	Number 2024	Individuals 2024 £000	Institutions 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Contributions to Archbishops' Council	1	-	447	447	449
Refugee Roots	1	-	15	15	20
Clergy	12	68	-	68	120
Ordinands in training	13	165	-	165	146
Transforming Notts Together	1	-	10	10	15
Growing Disciples/ New Worshipping Community Grants	60	-	117	117	106
Perry Gift	1	1	-	1	1
Total 2024	89	234	589	823	857
Total 2023	92	267	590	857	

12. Auditors' remuneration

	2024 £000	2023 £000
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**20**	18
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**4**	4

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13. Staff costs

	2024	2023
	£000	£000
Salaries	**1,832**	1,733
National insurance contributions	**187**	172
Pension costs	**165**	255
	2,184	2,160

The Church of England Funded Pension scheme included 7 employees (2023: 8 employees). The defined benefit scheme included no active employees (2023: 1 employee) and the defined contribution schemes included 56 employees (2023: 53 employees).

Total staff costs total £7,175k for the year. This includes the staff costs above of £2,184k, stipends as shown below of £4,828k and capacity building posts of £163k.

In note 9 these total staff costs are split between stipends, salaries and national insurance of £5,966k, pension contributions of £1,101k, and lay staff costs of £108k within housing costs.

The comparative pension costs includes contributions of £109,000 paid to the defined benefit pension scheme. Due to the materiality of the surplus in the scheme, in the current year contributions of £64,000 have been grossed up in the balance sheet, as fully disclosed in note 27. As such the pension schemes year on year are not directly comparable by the £109,000.

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13. Staff costs

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

	2024 No.	2023 No.
Administration	**10**	12
Safeguarding	**10**	10
Financial management and Stewardship	**6**	7
Property	**1**	3
Discipleship and Ministry	**12**	12
Education	**9**	9
Communications	**3**	1
Project Management office	**5**	1
Parish Based Lay Minister	**1**	-
Recharged to other entities	**5**	5
	62	60

The average headcount expressed as full-time equivalents was:

	2024 No.	2023 No.
Administration	**8.60**	8.36
Safeguarding	**5.31**	4.81
Financial management and Stewardship	**5.46**	6.46
Property	**1.71**	1.66
Discipleship and Ministry	**9.99**	9.79
Education	**7.25**	7.32
Communications	**2.60**	1.00
Project Management office	**5.00**	2.00
Parish Based Lay Minister	**1.00**	-
Recharged to other entities	**4.35**	3.65
	51.27	45.05

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13. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	**-**	1
In the band £70,001 - £80,000	**2**	-
In the band £80,001 - £90,000	**1**	1

Pension payments of £22,174 (2023: £15,014) were made for these employees.

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2024 they were:

Diocesan Chief Executive and Company Secretary	Mr M Cooper
Director of Discipleship and Ministry	Revd James Halstead
Diocesan Director of Education	Mr N Frith
Director of Communications	Vacant position
Director of Finance	Mrs K Proctor
HR Manager	Mrs J Brothwell
Programme Manager	Mr N Peake
Diocesan Safeguarding Advisor	Mr J Hodgson

Remuneration, including employers' NI and employers' pension contributions for these 7 (2023: 8) employees amounted to £516,659 (2023: £469,123).

Directors' emoluments

No Director received any remuneration for services as Director. 11 Directors received travelling and out of pocket expenses, totalling £11,016 (2023: 9 Directors received £7,458) in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Directors.

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13. Staff costs (continued)

The following table gives details of the stipendiary Directors, including those who were in receipt of a stipend and/or housing provided by the Board during the year:

	Stipend	**Housing**
The Right Revd P Williams	No	No
The Right Revd A Emerton	No	Yes
The Ven V Ramsey	Yes	No
The Ven P Williams	Yes	Yes
The Revd S Hustwayte	Yes	Yes
The Revd Canon S D Silvester	Yes	Yes
The Revd P Shaw	Yes	Yes
The Revd Canon M Tanner	Yes	Yes
The Revd Z Burton	Yes	Yes
The Very Revd N Sullivan	No	No
Revd Canon Dr N Evans	No	No

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

The Board paid an average of 124 (2023: 123) stipendiary clergy as officeholders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2024	2023
	£000	£000
Stipends	**3,560**	3,242
National insurance contributions and apprenticeship levy	**332**	290
Pension costs - current year	**936**	896
	4,828	4,428

The annual rate of stipend, funded by the Board, paid to Archdeacons was in the range £41,000 - £42,000 (2023: £39,000 - £40,000) and other clergy who were Trustees were paid in the range £30,000 - £31,000 (2023: £28,000 - £29,000).

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14. Tangible fixed assets

	Freehold houses (see below) £000	Diocesan Office & caretakers' bungalow £000	Solar panels £000	Office equipment £000	Total £000
Cost or valuation					
At 1 January 2024	**32,197**	**3,809**	**226**	**532**	**36,764**
Additions	**703**	**-**	**-**	**4**	**707**
Disposals	**(515)**	**-**	**-**	**(132)**	**(647)**
At 31 December 2024	**32,385**	**3,809**	**226**	**404**	**36,824**
Depreciation					
At 1 January 2024	**-**	**28**	**79**	**511**	**618**
Charge for the year	**-**	**-**	**7**	**7**	**14**
On disposals	**-**	**-**	**-**	**(130)**	**(130)**
At 31 December 2024	**-**	**28**	**86**	**388**	**502**
Net book value					
At 31 December 2024	**32,385**	**3,781**	**140**	**16**	**36,322**
At 31 December 2023	32,197	3,781	147	21	36,146

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Tangible fixed assets - freehold houses

	2024 Cost or deemed cost £000	2024 Number of houses	2023 Cost or deemed cost £000	2023 Number of houses
Endowment funds				
Benefit houses fund - Parsonage houses	18,104	124	17,620	124
Glebe funds				
Housing of team vicars, curates & others	7,516	36	7,594	41
Unrestricted (designated) funds				
Corporate property				
City Centre Resource Church	1,521	1	1,498	1
Housing of senior clergy, curates & others	5,290	25	5,530	20
Houses subject to value-linked loans				
Housing of curates and others	102	2	102	2
	32,533	188	32,344	188

Diocesan offices include the caretaker's bungalow situated in the grounds of Dunham House and amounts capitalised as part of the Jubilee House office build shown at cost. There is no reliable market value, but a valuation of both Jubilee House and the bungalow would be greater than historic cost. Dunham House is held in investment properties as it has been converted to 7 apartments for rental. A professional year end valuation has been obtained from the Board's property agent, Mr G Davis, who is an independently qualified surveyor. Dunham House is valued on a freehold market value basis.

All of the freehold houses included above are freehold and are vested In the Board, except for benefice houses, which are vested in the incumbent. The Board is not free to dispose or encumber these properties as it sees fit, as they are to be used for clergy housing. They are carried at cost or deemed cost and in the opinion of the Directors, the carrying value of land and buildings is less than the market value. The costs of revaluation are considered to outweigh the benefits to the reader of the accounts. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £102,000 (2023: £102,000). Of the total land and buildings at 31 December 2024, £14.7m are valued at cost (2023: £14.3m), with the rest at deemed cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

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15. Investment property

	Freehold investment property £000
Valuation	
At 1 January 2024	**21,154**
Disposals	**(102)**
Surplus on revaluation	**457**
At 31 December 2024	**21,509**

Due to their nature the historic cost of investment properties is not known. Included in investment properties are restricted funds of £nil (2023: £nil), endowment funds of £19,095k (2023: £18,740k) and unrestricted funds of £2,414k (2023: £2,414k).

16. Fixed asset investments

	Listed investments £000	Unlisted investments £000	Total 2024 £000	Total 2023 £000
Cost or valuation				
At 1 January 2024	27,782	1,061	**28,843**	23,349
Additions	8,813	-	**8,813**	9,003
Disposals	(6,982)	(1,056)	**(8,038)**	(5,050)
Revaluations	1,361	2	**1,363**	1,541
At 31 December 2024	30,974	7	**30,981**	28,843
Investment cash	743	-	**743**	1,478
At 31 December 2024	31,717	7	**31,724**	30,321

Included in the fixed asset investments are restricted funds of £9,196k (2023: £9,053k), endowment funds of £11,662k (2023: £12,399k) and unrestricted funds of £10,866k (2023: £8,869k).

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17. Debtors

	2024 £000	2023 £000
Due after more than one year		
Loans to parishes	**26**	47
	26	47
Due within one year		
Trade debtors	**101**	108
Rent debtors	**93**	121
Loans to parishes	**6**	14
Other debtors	**100**	238
Prepayments and accrued income	**570**	403
Parish share	**62**	93
	958	1,024

18. Creditors: Amounts falling due within one year

	2024 £000	2023 £000
Trade creditors	**74**	275
Other taxation and social security	**48**	54
Other creditors	**148**	85
Accruals and deferred income	**1,156**	1,376
	1,426	1,790

	2024 £000	2023 £000
Deferred income at 1 January 2024	**1,273**	1,689
Resources deferred during the year	**904**	1,273
Amounts released from previous periods	**(1,273)**	(1,689)
	904	1,273

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19. Creditors: Amounts falling due after more than one year

	2024	2023
	£000	£000
Loan with the Central Board of Finance - interest free	**7**	7
Church Commissioners value-linked loans	**98**	98
	105	105

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. Interest at the time of the advance is at the rate of 4% per annum (3% per annum on loans advanced on or before 31 December 1992) rising annually by the increase in the Retail Prices Index. As the date of disposal of the property is not known, the analysis of the date due cannot be calculated.

Included within the above are amounts falling due as follows:

	2024	2023
	£000	£000
Between one and two years		
Loan with the Central Board of Finance - interest free	**7**	7
Over five years		
Church Commissioners value-linked loans	**98**	98

20. Prior year adjustments

There has been a prior year adjustment to correct funds misallocations over many years which impacted the allocation of reserves as at 31 December 2022 and in the year to 31 December 2023. There was no impact to the net assets at 31 December 2022 or at 31 December 2023.

There has been a restatement of the balances at 31 December 2022 to increase endowment funds by £523,000, increase restricted funds by £2,622,000 and reduce general funds by £3,145,000. In the year to 31 December 2023 there has been a transfer between funds to move £1,479,000 out of endowment funds, £2,062,000 out of restricted funds and £3,542,000 into general funds, due to misallocation of funds over a period of years.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2024 £000
Unrestricted funds					
Designated funds					
Accumulated Capital	**9,118**	-	-	-	**9,118**
Mission Development fund	**108**	-	-	-	**108**
	9,226	-	-	-	**9,226**
General funds					
General fund	**7,188**	**9,835**	**(9,911)**	**200**	**7,312**
Total Unrestricted funds	**16,414**	**9,835**	**(9,911)**	**200**	**16,538**
Endowment funds					
Benefice Houses fund - expendable	**17,592**	-	-	-	**17,592**
Stipends fund capital - expendable	**41,238**	-	-	**457**	**41,695**
Parsonages capital - expendable	**189**	-	-	-	**189**
Stipends - permanent	**1,811**	-	-	-	**1,811**
Bramcote Bungalows - permanent	**1,106**	-	-	-	**1,106**
Haseldine Houses - permanent	**677**	-	-	-	**677**
Perry Gift Fund - permanent	**887**	-	-	-	**887**
Other permanent endowment funds	**135**	-	-	-	**135**
	63,635	-	-	**457**	**64,092**

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21. Statement of funds (continued)

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2024 £000
Restricted funds					
Diocesan Board of Education	**8,947**	**340**	**(68)**	**611**	**9,830**
Pastoral Account	**74**	**123**	**26**	**-**	**223**
Strategic Development Funding	**-**	**981**	**(981)**	**-**	**-**
Benefice Houses restricted fund	**-**	**595**	**(127)**	**139**	**607**
Other restricted income funds	**815**	**1,009**	**(594)**	**327**	**1,557**
	9,836	**3,048**	**(1,744)**	**1,077**	**12,217**
Total of funds	**89,885**	**12,883**	**(11,655)**	**1,734**	**92,847**

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21. Statement of funds (continued)

Statement of funds - prior year

	As restated balance at 1 January 2023 £000	Income £000	Expenditure £000	As restated Transfers in/out £000	Gains/ (Losses) £000	As restated balance at 31 December 2023 £000
Unrestricted funds						
Designated funds						
Accumulated Capital	9,118	-	-	-	-	9,118
Mission Development fund	108	-	-	-	-	108
	9,226	-	-	-	-	9,226
General funds						
General fund	3,550	9,779	(10,096)	3,542	413	7,188
Pension reserve	56	-	-	-	(56)	-
	3,606	9,779	(10,096)	3,542	357	7,188
Total Unrestricted funds	12,832	9,779	(10,096)	3,542	357	16,414

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21. Statement of funds (continued)

	As restated balance at 1 January 2023 £000	Income £000	Expenditure £000	As restated Transfers in/out £000	Gains/ (Losses) £000	As restated balance at 31 December 2023 £000
Endowment funds						
Benefice Houses fund - expendable	18,472	-	-	(880)	-	17,592
Stipends fund capital - expendable	39,799	800	-	-	639	41,238
Parsonages capital - expendable	166	-	-	-	23	189
Stipends - permanent	2,204	-	-	(603)	210	1,811
Bramcote Bungalows - permanent	970	-	-	-	136	1,106
Haseldine Houses - permanent	565	-	-	-	112	677
Perry Gift Fund - permanent	778	-	-	-	109	887
Other permanent endowment funds	406	-	-	3	(274)	135
	63,360	800	-	(1,480)	955	63,635

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21. Statement of funds (continued)

	As restated balance at 1 January 2023 £000	Income £000	Expenditure £000	As restated Transfers in/out £000	Gains/ (Losses) £000	As restated balance at 31 December 2023 £000
Restricted funds						
Diocesan Board of Education	9,943	261	(60)	(1,717)	519	8,946
Pastoral Account	99	-	-	(25)	-	74
Strategic Development Funding	-	1,029	(1,029)	-	-	-
Benefice Houses restricted fund	1,021	249	(214)	(320)	80	816
	11,063	1,539	(1,303)	(2,062)	599	9,836
Total of funds	87,255	12,118	(11,399)	-	1,911	89,885

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Description of funds

Expendable Endowment Funds - investment income is usable only for the specific purposes for which the endowment was given and the trustees may convert the capital into spendable income depending on various restrictions:

Benefice houses fund	represents the value of benefice houses at the balance sheet date together with the Parsonages Building funds held by the Church Commissioners. These houses are used to provide accommodation for parochial clergy. The Board is not free to dispose of the houses except in accordance with appropriate measures.
Stipends fund capital (Glebe funds)	represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The funds generate income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Globe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.
Parsonages Capital	the income to be applied to meet personage houses costs.
Clergy pension fund deficit	details contained in note 28

Permanent Endowment Funds - investment income only is usable for the specific purposes for which the endowment was given:

Stipends	to augment clergy stipends.
Bramcote Bungalows	to provide housing for retired clergy or their spouses.
Haseldine Homes	to contribute to the payment of pension contributions for stipendiary clergy in the diocese.
Perry Gift Fund	to provide grants to clergy and lay persons deserving of financial assistance.

Other Permanent Endowment Funds

Ministers in training	to provide grants to ministers in training.
Miss E L Brown Trust	to be applied at the discretion of the Bishop of Southwell.
Nottingham University Chaplaincy	to pay the expenses of the Nottingham University chaplaincy.
Sacrista Canonry	to be applied for the Canon appointed to occupy the stall of the Canonry of Sacrista in Southwell Minister
Southwell House/Hostel Charity	to be applied to property outgoings.
Yapp Donation	to be applied for a former employee's annuity, with any surplus to be used for the benefit of persons who are physically or mentally handicapped.

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Restricted Funds - can only be used for the specific purposes for which they were given:

Diocesan Board of Education	to administer the scheme for the Diocese's Church Schools' building programme and to operate for the benefit of Church Schools.
Pastoral account	set up under the provisions of the Pastoral Measure 1983 and represents proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983.
Strategic Development Fund	represents sums of money made available by the Archbishop's Council set aside for mission development.
Benefice houses fund	represents the value of benefice houses at the balance sheet date together with the Parsonages Building funds held by the Church Commissioners. These houses are used to provide accommodation for parochial clergy. The Board is not free to dispose of the houses except in accordance with appropriate measures.

Other Restricted Funds

Landon Bequest	to fund Church of England students and Ordinands to serve overseas.
Natal Link Fund	represents donations from parishes and individuals for general work and specific projects in the Diocese of Natal.
Readers Association	to meet central costs for Readers.
Industrial Chaplaincies	to meet central costs for industrial chaplaincies.

Designated Funds - general funds that the Trustees have chosen to use for a specific purpose:

Accumulated Capital Fund	represents amounts transferred from the general fund, gains less losses on investments and the directors' valuation of property transferred at no cost. This fund is designated for use to purchase fixed assets.
Mission Development Fund	Amounts in addition to the restricted fund set aside for Mission Development.

General fund - the general fund is the Board's unrestricted undesignated fund available for any of the Board's purposes without restriction.

Transfers between funds

There has been a transfer between funds in the prior year due to misallocation of funds in prior years. More detail is in the prior year adjustment note 20.

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22. Summary of funds

Summary of funds - current year

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2024 £000
Designated funds	**9,226**	**-**	**-**	**-**	**9,226**
General funds	**7,188**	**9,835**	**(9,911)**	**200**	**7,312**
Endowment funds	**63,635**	**-**	**-**	**457**	**64,092**
Restricted funds	**9,836**	**3,048**	**(1,744)**	**1,077**	**12,217**
	89,885	**12,883**	**(11,655)**	**1,734**	**92,847**

Summary of funds - prior year

	Balance at 1 January 2023 £000	Income £000	Expenditure £000	As restated Transfers in/out £000	Gains/ (Losses) £000	As restated Balance at 31 December 2023 £000
Designated funds	9,226	-	-	-	-	9,226
General funds	3,606	9,779	(10,096)	3,542	357	7,188
Endowment funds	63,360	800	-	(1,480)	955	63,635
Restricted funds	11,063	1,539	(1,303)	(2,062)	599	9,836
	87,255	12,118	(11,399)	-	1,911	89,885

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23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	10,703	-	25,619	**36,322**
Fixed asset investments	1,193	11,153	19,378	**31,724**
Investment property	1,525	889	19,095	**21,509**
Debtors due after more than one year	26	-	-	**26**
Current assets	3,719	1,078	-	**4,797**
Creditors due within one year	(523)	(903)	-	**(1,426)**
Creditors due in more than one year	(105)	-	-	**(105)**
Total	16,538	12,217	64,092	**92,847**

Analysis of net assets between funds - prior period

	As restated Unrestricted funds 2023 £000	As restated Restricted funds 2023 £000	As restated Endowment funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	11,036	-	25,110	36,146
Fixed asset investments	1,760	8,679	19,882	30,321
Investment property	1,525	891	18,738	21,154
Debtors due after more than one year	47	-	-	47
Current assets	3,168	944	-	4,112
Creditors due within one year	(1,017)	(678)	(95)	(1,790)
Creditors due in more than one year	(105)	-	-	(105)
Total	16,414	9,836	63,635	89,885

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24. Reconciliation of net movement in funds to net cash flow from operating activities

	2024	2023
	£000	£000
Net income for the period (as per Statement of Financial Activities)	**3,048**	2,686
Adjustments for:		
Depreciation charges	**14**	31
Losses on investments	**(1,820)**	(1,967)
Dividends, interests and rents from investments	**(1,237)**	(1,261)
Profit on the sale of fixed assets	**(1,020)**	(800)
Decrease in debtors	**66**	1,471
Decrease in creditors	**(364)**	(276)
Interest paid	**-**	9
Defined benefit pension scheme adjustments	**(86)**	-
Net cash used in operating activities	**(1,399)**	(107)

25. Analysis of cash and cash equivalents

	2024	2023
	£000	£000
Cash in hand	**3,865**	3,135
Investment cash (note 16)	**743**	1,478
Total cash and cash equivalents	**4,608**	4,613

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26. Analysis of changes in net debt

	At 1 January 2024	Cash flows	At 31 December 2024
	£000	£000	£000
Cash at bank and in hand	**3,135**	**730**	**3,865**
Debt due after 1 year	**(105)**	**-**	**(105)**
	3,030	**730**	**3,760**

27. Pension commitments

The Board participates in two pension schemes, both of which hold the assets of the schemes separately from those of the Board and the other participating employers. One of these is the Church of England Funded Pension Schemes for stipendiary clergy, the other is The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme for lay staff.

Church of England Funded Pension Scheme

This scheme is administered by the Church of England Pensions Board. Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2024 £936,000 - 2023 £896,000).

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

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

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus, accordingly no value has been recognised in the balance sheet.

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27. Pension commitments (continued)

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

The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme - Defined Benefits Scheme

The Board operates a defined benefit pension scheme in respect of eligible employees whose employment began on or before 1st April 1993. The Board is required to follow Financial Reporting Standard 102 in disclosing the financial position of the scheme. The trustees of the scheme are required to act in the best interests of the Scheme's beneficiaries. The Scheme Trust Deed requires that one trustee be appointed from amongst the active members of the scheme - a member-nominated trustee. One trustee is appointed from amongst the membership of Bishop's Council (the Board of Directors) and the third and final trustee is the officeholder of the post of Chief Executive of the Board of Finance.

The contribution is determined by a qualified actuary on the basis of triennial valuations using the 'Attained Age Method' and the most recent valuation was at 31st March 2017. During the year the Board paid contributions of £64,000 (2023: £109,000). The Board's agreed future contribution rate equates to 34% of pensionable salaries (previously 24%) and member employees contribute 5% to the Scheme, however there are currently no active members in the scheme. The annual contribution to the scheme is charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Board.

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

	At 31 December 2024 %	At 31 December 2023 %
Discount rate	**5.50**	4.60
Future pension increases	**3.20**	3.10
Inflation assumption (RPI)	**3.30**	3.20
Inflation assumption (CPI)	**2.40**	2.40

	At 31 December 2024 Years	At 31 December 2023 Years
Mortality rates (in years)		
- for a male aged 65 now	**21.8**	21.4
- at 65 for a male aged 45 now	**24.9**	24.6
- for a female aged 65 now	**24.4**	23.6
- at 65 for a female aged 45 now	**27.5**	26.9

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27. Pension commitments (continued)

The charity's share of the assets in the scheme was:

	At 31 December 2024 £000	At 31 December 2023 £000
Bonds	**3,294**	3,697
Cash	**41**	47
Total fair value of assets	**3,335**	3,744

The amounts recognised in the Statement of financial activities are as follows:

	2024 £000
Interest income	**(167)**
Interest cost	**145**
Total amount recognised in the Statement of financial activities	**(22)**

There are no active members, there are therefore no current service costs recognised in the Statement of financial activities.

Movements in the present value of the defined benefit obligation were as follows:

	2024 £000
Opening defined benefit obligation	**3,302**
Interest cost	**145**
Actuarial gains	**(349)**
Benefits paid	**(297)**
Closing defined benefit obligation	**2,801**

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27. Pension commitments (continued)

Movements in the fair value of the charity's share of scheme assets were as follows:

	2024 £000
Opening fair value of scheme assets	**3,744**
Expected return on assets	**167**
Actuarial losses	**(343)**
Contributions by employer	**64**
Benefits paid	**(297)**
Closing fair value of scheme assets	**3,335**

	2024 £000	2023 £000
A reconciliation of the balance sheet liability is set out below		
Closing defined benefit obligation	**(2,801)**	(3,302)
Closing fair value of scheme assets	**3,335**	3,744
Surplus not recognised	**(534)**	(442)
	-	-

In the current year the surplus of £534,000 (2023: £442,000) has not been recognised in the financial statements as a material doubt arises over the ability of the charity to recover these funds. The total actuarial loss to the Statement of Financial Activity of (£86,000) relates to actual gains on scheme assets of £349,000, actuarial losses on scheme assets of (£343,000) and the unrecognised movement in the capped pension liability of (£92,000).

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28. Related party transactions

Transforming Notts Together
The Board of Finance are the founding members of "Transforming Notts Together", which is a charitable company limited by guarantee. TNT paid the Board £nil (2023: £105,289) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2024 was £nil (2023: £1,424). A grant of £10,000 has been made to the charitable company in the year (2023: £15,000).

The Diocese of Southwell & Nottingham Multi Academy Trust
The company was set up in August 2013 and is a limited by guarantee without share capital. The company houses the church schools which have converted to Academy status. The directors are Roger Periam, John Hunter, Hilary Craik, Chris Moodie, Angela Pae and Canon John Loughton. The Multi Academy Trust paid the Board £40,644 (2023: £45,840) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2024 was £12,729 (2023: £11,117).

29. Contingent liabilities

The Board is also party to a guarantee in respect of Bluecoat Academy, as in common with all Church of England schools, the Board owns the land the school building is built upon.

30. Funds held as custodian trustee

The Board acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. Each year an annual statement of value is made available to all PCCs.

31. Devolved capital formula

Since April 2006, the Education Funding Agency (EFA) have paid devolved Formula Capital (DFC), directly to schools or dioceses before the funds are spent on capital projects. This year education restricted funds received £502,244 on behalf of 5 schools (2023- £123,000 on behalf of 4 schools). These funds are maintained in individual school ledgers with payments and governors 10% contributions shown. The Schools Executive Officer monitors these accounts and advises schools of current balances and authorises payments.

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32. Collaboration agreement

In 2010 the Board entered into a collaboration agreement with 5 other parties to develop land for housing. The terms of the agreement are such that the Promoter has first call on any receipts from the housing developer, as they are responsible for putting the infrastructure into the site for it to be developed for new homes. Any surplus left at the end of the project will be shared amongst the members of the collaboration agreement, but at 31 December 2024, the timing and receipt of these funds cannot be measured with any material certainty. During 2021 the four parcels of land owned by the Board were sold to the housing developer, but in accordance with the Collaboration agreement the proceeds were added to the collaboration account to cover continuing infrastructure costs, and were not remitted to the Board. There is a fixed charge dated 11 April 2018, in favour of Homes and Communities Agency relating to the collaboration agreement, regarding a small piece of land that is part of the agreement owned by the Board.

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SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249359

Accounts

THE CHURCH OF ENGLAND

Diocese of Southwell & Nottingham

SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE

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SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE

ADMINISTRATIVE DETAILS
For the year ended 31 December 2023

TRUSTEES
In accordance with the Companies Act 2006, The Statement of Recommended Practice 2019 (SORP 2019) and Financial Reporting Standard 102 (FRS 102), the Trustees (for the purposes of charity law) and Directors (for the purposes of company law) during the year and as at the date of signing follow:

PRESIDENT
The Lord Bishop of Southwell and Nottingham, Right Revd Paul Williams

BISHOP'S COUNCIL AND STANDING COMMITTEE OF THE DIOCESAN SYNOD (BEING THE FINANCIAL EXECUTIVE OF THE DIOCESAN SYNOD AND THE BOARD OF DIRECTORS OF THE BOARD OF FINANCE)

EX-OFFICIO
The Rt Revd The Bishop of Southwell & Nottingham
The Rt Revd The Bishop of Sherwood
The Very Revd The Dean of Southwell
The Venerable The Archdeacon of Newark **(a)**
The Venerable The Archdeacon of Nottingham **(a)**
The Chair of the House of Clergy of the Diocesan Synod (Revd S Hustwayte) **(a)**
The Chair of the House of Laity of the Diocesan Synod (Mr M Wilson) **(a) (b)**
The Chair of the Finance Committee (Canon M Arlington) **(a)**

ELECTED BY THE SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD

CLERGY (5)
Newark Archdeaconry (2)
Revd L Lima (resigned 16.08.23)
Revd Z Burton

Nottingham Archdeaconry (3)
Revd Canon S Silvester
Revd P Shaw (resigned 31.01.24)
Revd M Tanner (b)

LAITY (9)
Newark Archdeaconry (4)
Professor P Harris (b)
Mr R Brand
Mrs C Shaw
Vacant

Nottingham Archdeaconry (6)
Mr C Barber
Miss S Waterston
Mrs J Gray
Mr C M Bolton
Mr R Cleave (a)
Mr R Gutteridge

(a) Member of the Finance Committee
(b) Member of the Board of Education

PRINCIPAL OFFICERS AND ADVISORS

Diocesan Chief Executive & Company Secretary	Mr M L Cooper BA (Hons) FCA ATII
Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance	Mrs A J Redgate LLB

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ADMINISTRATIVE DETAILS (continued)
For the year ended 31 December 2023

JUBILEE HOUSE LEADERSHIP TEAM

Director of Discipleship & Ministry (resigned 31.12.23)	Revd Canon Dr R Kellett BTh (Hons), BSc (Hons), MA, PhD
Director of Discipleship & Ministry (appointed 01.01.24)	Revd James Halstead
Diocesan Director of Education	Mr N Frith BA MA NPQH
Director of Communications	Vacant
Director of Finance (appointed 01.08.23)	Mrs K Proctor FCMA
HR Manager	Mrs J Brothwell
Programme Manager	Mr N Peake
Diocesan Safeguarding Advisor	Mr J Hodgson

BANKERS
Lloyds Bank, Nottingham

INVESTMENT MANAGERS
CCLA Central Board of Finance of
the Church of England
Rathbones Investment Management Ltd
Mayfair Capital Investment Management Ltd
Ruffer LLP

SOLICITORS
Rotheras, Nottingham

CHARTERED SURVEYORS
Jas. Martin & Co, Lincoln
Tanners, Nottingham
Geo Hallam & Sons, Nottingham

MINING, MINERALS, ENGINEERING & ENVIRONMENTAL CONSULTANTS
Mineral Surveying Associates

INSURERS
Ecclesiastical Insurance Group

AUDITOR
BHP LLP
2 Rutland Park
Sheffield
S10 2PD

REGISTERED ADDRESS
Jubilee House
Westgate
Nottingham
NG25 0JH

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CHAIRMAN'S FOREWORD
For the year ended 31 December 2023

'For God, who said "Let light shine out of darkness" made his light shine in our hearts to give us the light of the knowledge of God's glory displayed in the face of Christ'.

2 Corinthians 4:6

Reflecting on 2023, with the escalation of conflict in Israel and Gaza, as well as the ongoing conflict in Ukraine, and tensions elsewhere we continued to see a world that is not at peace with itself. Closer to home, our national life has been challenged by an ongoing cost-of-living crisis and heightened rates of inflation, bringing new levels of hardship and anxiety to many. And locally too, towards the end of the year, storms caused the River Trent to break its banks and flood land and homes across Nottinghamshire.

It is surely against this background of conflict, despondency and uncertainty that as disciples of Christ, we are called to evermore firmly fix our eyes on the Lord and to find in him our living hope, shining out evermore brightly as a beacon of light and love in our lives and in our land.

Indeed, as we look ahead to 2030 and beyond, our refreshed Diocesan Vision is to see **Living Hope for the City, Towns and Villages of Nottinghamshire and beyond.** Whilst this is a vision for the future, as I reflect upon this past year, I would like to highlight three of the many points of encouragement there have been for me, seeing God's glory displayed across the rich diversity of contexts which make up the diocese:

The monthly **Diocesan Days of Prayer** continued to be a source of refreshment and encouragement touching hundreds of lives throughout 2023, and as the diocesan leadership team shared in prayer gatherings throughout the diocese. I enjoyed a particularly memorable morning in Selston church with a group of primary school children who helped to lead and inspire our prayers in fresh ways. Their contagious enthusiasm, curiosity and openness to discover more about prayer as an opportunity to be in relationship with God certainly stirred and touched the more 'regular' church goers among us! In the evenings, groups gathered in Southwell and encountered God through different styles of worship – some attending both traditional evensong in the Minster and then a more contemporary worship gathering, during which it was a privilege to hear stories of God at work in many different places and people across the diocese. It was a joy to host several hundred over supper as part of those evenings too. The Nottingham City Prayer meetings, that have been drawing people together from across the city for a number of years now, continues to be a significant expression of partnership and shared mission with churches from many denominations. There have been many surprising and heartening answers to prayer too.

Throughout 2023, I also had the privilege of preaching and leading across a number of our rural parishes, experiencing first-hand the warmth and kindness of these communities. I was particularly struck by the energy, commitment and vision as I met with a group of lay leaders and head teachers from some of our rural parishes in the Bassetlaw and Bawtry deanery. Though their churches were in vacancy, lay leaders from several churches had initiated **new partnerships with their local schools**, and the increasing number of young people in some villages hearing the good news of Christ and connecting with after school groups led by these teams was truly inspiring. It highlighted afresh the engagement of and possibilities for rural mission, and the need to continue to explore how we might best develop local lay leadership and support closer relationships with respective local schools.

During Petertide 2023, the sense of joy and celebration at the service for the **Ordination of Deacons** in Southwell Minister was tremendous. Fifteen candidates who had grown up as far away as Australia, Nigeria and Hong Kong, and as close to home as Nottingham and Worksop, had each individually heard and been obedient to God's gracious call to ordained ministry and are now serving across the Diocese of Southwell and Nottingham. The service of **Licensing for our Licensed Lay Ministers** was also powerful and deeply moving, as we affirmed specific callings to serve in youth and children's work alongside the role of Reader. It is wonderful to see whom God is calling to join us as we trust in his unfailing provision for the journey ahead.

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As I give thanks for all the ways in which God continues to bless us, I am of course mindful that there are also challenges before us. We are continually aware of the need to focus on developing the gifts of those who can take on key roles of leadership and responsibility in our churches, especially with church wardens, treasurers and PCC members. There are also the ongoing financial resource challenges. The 2024 budget includes a deficit of £600k; whilst this reflects the necessary investment required for further growth, it is clearly not a sustainable position for the longer term if we are to continue our firm commitment not to reduce stipendiary numbers. It is hugely encouraging to see how the majority of parishes remain highly committed to meeting Parish Share alongside funding other aspects of their local ministry.

I remain immensely grateful for all that our parishes continue to do as we partner in sharing the gospel, for your prayers, and for your generous, and in some places sacrificial, giving. It is my prayer for each of us that as we step into this new season of vision and growth, we will indeed see the living hope of Christ flowing outwards to transform every part of our diocese.

With every blessing



The Rt Revd Paul Williams
Bishop of Southwell and Nottingham

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TRUSTEES' REPORT
For the year ended 31 December 2023

The Trustees, who are also Directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in 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.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

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

The Board has the following statutory responsibilities: -

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

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

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PUBLIC BENEFIT

The Trustees are 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 Trustees believe that, by promoting the work of the Church of England in the Diocese of Southwell & Nottingham, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Board for the purposes of Company Law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP 2019 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far aware the trustees are aware:

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

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

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TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out in the section on Structure and Governance. Trustees are given an induction at the outset of the triennium and at other times as needs are identified. They are also informed before seeking membership and at all other relevant times, of the role and function of the Committee. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act.

VOLUNTEERS

The Board 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 the church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly in times of crisis. Within this context, the Board greatly values the considerable time given by all the committee members across the diocese in pursuit of the mission of the Board.

MISSION STATEMENT

We have a strategic vision of Growing Disciples, reaching wider, connecting younger and nurturing deeper roots of faith. A Task and Finish Group has been formed to review progress towards the strategic vision and refresh it for the period 2023-30. The Board began communicating the refreshed vision towards the end of 2023 and intends to launch it fully in early 2024.

STRATEGIC AIMS

The Board resources mission and ministry through 250 parishes and other networks.

The annual budget has been set against this background, designed to provide adequate resources to fund the present, as well as to shape the future, in a way that is fit for the missional task. We continue to prioritise the appropriate provision of stipendiary parish clergy and licensed lay workers across the Diocese.

The Board's strategy for achieving its objectives is to adopt a methodology of limiting central sources of expenditure in favour of both releasing funds for mission and minimising the increase in Parish Share. The Board continues to maintain the sound financial structure needed to enable it to continue supporting the clergy and lay workers through the payment of stipends, managing parsonages and other ministerial housing. It provides resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

OBJECTIVE FOR THE YEAR

The objective of the Board is to provide financial resources for the achievement of the priorities of the Bishop and Diocesan Synod.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

2023 has been a year of fresh vision, growth and transformation across our Diocese.

Vision

During the year we finalised the refresh of the diocesan strategic vision and mission, through a prayerful process of discernment and consultation across the Diocese. This renewed mission and calling is now summarised as 'Growing Disciples of Christ with Compassion, Confidence and Courage 'and is paired with a compelling vision of 'Living Hope for the city, towns and villages of Nottinghamshire and beyond'. To deliver on this vision and mission, 7 key areas of focus have been identified as Inspiring Worship, Reaching Younger, Enhancing Diversity, Growing Leaders, Enabling Commitment, Encouraging Generosity, and Nurturing Prayer. This will be shared across the Diocese in Spring 2024 through a series of events and resources and will help to inspire and inform our work over the coming years.

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Growth

We are now journeying with over 50 parishes through intentional, focused work that has been accelerated and resourced through Strategic Development Funding (SDF). We are grateful to the national church for the support they have provided through four SDF bids to help reverse the downward trend in church attendance and revitalise churches throughout the Diocese. Through SDF4, there have been 5 youth hubs (all workers appointed), 10 Children and Family flagship churches (5 existing / 5 new – all workers appointed) and a further 25 churches in receipt of funding with the majority appointing Children and Family and Youth workers. This has helped to reach 203 new youth against a target of 125, and 315 new children against a target of 250 by end of 2023. We have also seen an encouraging increase in the number of children, families and youth ministry volunteers, with 175 across our Diocese engaging with these activities.

SDF3 has specifically funded several new initiatives, including revitalising 4 churches that have since seen a total increase of 276 in attendance across services, with 10 additional New Worshipping Communities (NWC) created. As part of this funding, 12 Churches have also accessed the NWC Fund which has helped to establish 'Connect' initiatives in local schools, new youth and family services and also a Spanish speaking congregation in the city centre. Capacity building posts funding has also enabled 10 new roles to be developed to support particular areas of ministry and leadership across our churches, including several where services had ceased.

Alongside growth at a local level, the Discipleship and Ministry team have continued to train and develop lay and ordained ministers. This includes 14 new Licensed Lay Ministers (LLM) in 2023, (adding to a total of 49 under the new scheme) as well as the ordination of 15 deacons.

The internship scheme continues to operate as a key leadership development pipeline. This year saw 18 first year interns at 12 churches across the Diocese, with 7 of them progressing to either the year 2 programme or church ministry roles in our Diocese. In July 2023, 4 people completed the first iteration of the year 2 programme, of whom 3 are now in church ministry roles. It continues to be an exciting time of growth for young leaders in our Diocese.

Transformation

The Diocese Days of Prayer have continued through the year, providing opportunity for prayer commitment and reflection across the Diocese. These have taken place monthly on the second Thursday and have each concluded at Southwell Minster for Evensong and a light supper at Bishop's Manor, followed by contemporary worship in the State Chamber. These prayer days have helped to model the importance of prayer in the life of the Diocese.

As part of our environmental goals and objectives, our Diocesan Environment Officer (DEO) has furthered works with parishes throughout 2023. This has helped parishes develop an Action Plan (which was approved by Diocesan Synod in October 2023) to work towards the national Church of England target of being net zero by 2030. 106 churches are now registered as Eco Churches with A Rocha UK with 11 holding silver status and 43 bronze. Work continues within the Property Team to improve the energy efficiency of clergy housing following the Energy Performance Certificate (EPC) review of clergy property in 2023.

The Planned Giving Team has assisted more than 50 churches over the past year with generous giving through the provision of digital giving machines. This has been enabled, through funding from the national church, and has helped set the Diocese on course to reach its six-monthly target from June-December 2023 of £50,000.

Our social transformation partnerships have also continued into this year with Citizens UK, Refugee Roots and Transforming Notts Together (TNT). The aim of these partnerships is to equip and support for local churches as their members seek to grow in practical discipleship, through grief cafes, befriending, art classes, signposting, women's support, and English conversation classes. These continue to provide key points of connection and transformation across our communities.

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2023 saw the restructuring of the Safeguarding team following Past Cases Review 2, with time now allocated for the Assistant Diocesan Safeguarding Advisor (ADSA) to build on the resources for those who have lived experience of trauma. The restructure has also increased time for parish support, with a new part time post for a parish support officer. Alongside this, the team have purchased two software packages for parishes to help record and evidence their compliance to the national standards in safeguarding. The team have also joined National Casework Management System so that all records are now stored consistently.

The diocesan Education Team has continued to provide their blend of professional, pastoral, and spiritual support to our 73 church schools reaching over 20,000 children and adults as well as supporting a range of leaders of RE, headteachers, school chaplains and governors. During the year, it has run a wide range of training and conferences and has continued to work with our five church Multi Academy Trusts (MATs). There has been a focus on teaching young people how to lead worship. This dovetails with a strong emphasis on empowering young people to lead as courageous advocates. This year saw the beginning of a new, inspirational type of conference, called 'Listen Up', where all the speakers and worship leaders are young people – no adult speakers allowed.

A reconstituted Diocesan Board of Education (DBE) began its work in January 2023. One of the priorities is to support a greater alignment between the Diocesan Vision and the amazing potential that is nurtured in our schools. This includes the creation of stronger discipleship pathways between church and school.

To support these areas of transformation and development, our digital Learning Hub has continued to expand and now provides courses and resources in discipleship, safeguarding, education and PCC/treasury. The platform now has a total of 1,719 account users.

FUTURE PLANS

In 2024 the refreshed diocesan Vision & Strategy will be launched widely and embedded in parishes throughout the year. This will be achieved through a refreshed communication plan, which will have a particular focus on sharing and celebrating stories of growing disciples from across the Diocese.

To help accelerate and resource the refreshed vision, the Diocese is planning to submit a significant Diocesan Investment Programme (DIP) application to the new Strategic Mission and Ministry Investment Board (SMMIB). This Board has been set up to enable the strategic priorities and the bold outcomes of the Church of England's Vision and Strategy for the 2020s. We believe that following our experience and learnings in recent years, we are well placed to apply for significant funding and strategic support. The result of this application will help resource and impact the Diocese over the coming years.

In keeping with the new 7 areas of focus from the refreshed vision, generous giving will continue to be a key aspect of development, with the second phase of the rollout of Free Digital Giving devices, supported by the National Church. The appointment in 2023 of our Digital Giving Advisor will mean we continue to assist all parishes in ensuring their online giving options are fit for purpose.

We will continue to work towards cutting our carbon footprint and promote Eco Church to further our understanding of caring for creation as central to whole life discipleship. The Diocesan Advisory Committee (DAC) will continue its important work to maintain and develop our churches to meet their missional priorities. We aspire to achieve Eco- Diocese Silver Award but this is dependent upon the number of individual churches registered under this programme.

The Education Team will develop greater alignment between churches and church schools. The Board will also try and address the recruitment crisis in foundation church school governance, along with a need to develop ex-officio governance, and strengthen our recognition of young people as leaders of today not just tomorrow. The team also aim to develop diversity in governance and church school leadership.

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KEY PERFORMANCE INDICATORS

The Board regards its key performance indicators as follows:

	2023	2022
Percentage of parish share received	**80.1%**	**84.4%**
Average rate of return on investments	**2.59%**	**2.51%**

FINANCIAL PERFORMANCE

The main income to the Board is from parishes giving Parish Share. The Trustees are immensely grateful to all the parishes who continue to contribute to parish share, and supported Ministry in the Diocese. We cannot achieve this without their support.

INCOME	% of Total		2023 £000	2022 £000
Parish Share	42		5,497	5,534
Archbishops' Council	22		2,894	2,315
Fees	2.41		316	317
Investment income	9.4		1,261	1,087

The Trustees acknowledge with thanks the annual distribution from Benefact Trust. The other grants received from Archbishops' Council during 2023 are £1,029,000 Strategic Development Fund monies, which is match funded by the Board and £1,271,000 Lowest Income Communities funding to support mission in our most deprived parishes.

REVIEW OF THE BALANCE SHEET

The Trustees consider that the balance sheet, together with details in notes 22 and 24, show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £89,885,000 (2022: £87,255,000 as restated) it must be remembered that included in this total are a considerable number of properties, mostly in use for the ministry and mission of the Board, whose value amounted to £32.2 million (2022: £32.5 million). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the Board.

Restricted and endowment funds

As set out in note 22 the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2023 restricted funds totalled £9.29m (2022: £8.44m as restated) and endowment funds totalled £64.6m (2022: £62.8m as restated).

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer required. A description of each reserve together with the intended use of the reserve is set out in note 22. At 31 December 2023 total designated reserves were £9.2m (2022: £9.2m).

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Free reserves
The Board of Finance has considerable responsibilities including the remuneration of approx. 123 stipendiary clergy, the employment of over 60 full or part time staff and the upkeep of around 190 houses. Most of the Board's income is voluntary with half coming from Parish Share and the balance made up of grant income from Archbishops' Council and income investments and other sources. In light of this and the flow of income, the Trustees have determined that it is prudent to hold free reserves at least equivalent to general fund expenditure over two months i.e. £1.5m.

At 31 December 2023, the Board of Finance's free reserves were £10.0m (2022: £9.7 million). The trustees consider that with the continued uncertainty around the economic situation together with the changes in the way that Dioceses are resourced from Church Commissioners, and the continuing pressure on parish share, the increased holding of free reserves is prudent.

SUBSIDIARIES
The subsidiary SNDBF Solar Limited has been closed and any assets hived up to the Southwell and Nottingham Board of Finance. There are now no subsidiaries and therefore consolidation reporting will not be required moving forward.

The Board is empowered by its Memorandum of Association not to invest monies immediately.

FUNDS HELD ON BEHALF OF OTHERS

As Custodian Trustee: The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of a separate bank account and accounting system.

On behalf of Schools:
The Board of Education (as incorporated within the Board) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also Government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out.

The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

GRANT MAKING 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 of Finance to support the furtherance of the Board of Finance's objects.

Mission Development Funding from Archbishops' Council has now ceased, so the designated fund will be used to support the existing projects.

STRUCTURE AND GOVERNANCE
Southwell and Nottingham is one of 42 dioceses in the Church of England covering the whole of Nottinghamshire and a small section of South Yorkshire and North Leicestershire. It is administered through the Board, a charitable trust company limited by guarantee. The Diocese is arranged as 2 archdeaconries, Newark covering the north part with 4 deaneries and Nottingham the south with 5 deaneries. In total there are some 250 parishes.

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Each Diocese is a separate entity led by the Bishop and is governed by the Canons of the Church of England and the Acts and Measures of General Synod as well as state legislation that relates to companies and charities. In Southwell and Nottingham, the Diocesan Bishop is assisted by the Suffragan Bishop of Sherwood.

At national level the Diocese relates to the Archbishops' Council, the Church Commissioners and the Church of England Pensions Board. Further information can be found at www.church-of-england.org. The financial transactions of these bodies do not form part of these statements.

Each diocese is divided into benefices which are made up of parishes. The priest of a benefice is an office holder who shares the cure of souls with the Bishop. Matters relating to finance and parish owned property in a parish, are the responsibility of the Parochial Church Council, each of which is an individual charity separate from the Diocese. Benefices are grouped together in nine Deaneries which are units of mission, conduit of communication and whose members elect the members of General and Diocesan Synod.

Southwell Minister is the cathedral church of the diocese and is itself a separate legal entity. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Southwell Minster, Church Street, Southwell, Nottinghamshire, NG25 0HD.

The Board of Finance and Diocesan Synod: Within the Diocese there are two major bodies - the Diocesan Synod and the Board of Finance: the **membership** of both is coterminous

Board of Finance: The company, Southwell & Nottingham Diocesan Board of Finance, was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 5 June 1891 as a charitable trust company limited by membership guarantee (No. 34165) and its governing documents are the Memorandum and Articles of Association. The Board of Finance is registered with the Charity Commission (No. 249359).

The company, originally called the Southwell Diocesan Finance Association, changed its name to the Southwell Diocesan Board of Finance on 18 January 1932. On 28 February 2006, the company changed its name to the Southwell & Nottingham Diocesan Board of Finance.

As a member of the Board, each member of Synod has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

Diocesan Synod: Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the Diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, plus up to 20 co-options

The Diocesan Synod usually meets twice a year.

Its role is to:

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

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council.

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The Bishop's Council (and Standing Committee of the Diocesan Synod):
The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of 8 ex officio members (the Diocesan and Suffragan Bishops; 2 Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; and the Chair of the Finance Committee), 5 clergy elected by the House of Clergy from among their number (3 from the Archdeaconry of Nottingham and 2 from the Archdeaconry of Newark) and 10 lay persons elected by the members of the House of Laity representing deaneries (6 from the Archdeaconry of Nottingham and 4 from the Archdeaconry of Newark) and up to 4 co-opted members of Diocesan Synod. Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- to plan the business of the Synod,
- to initiate proposals for action by the Synod and to advise it on matters on policy;
- to advise the Diocesan Bishop, on any matters which he may refer to the Council;
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- to appoint members of committees or nominate individuals for election to committees; and
- to carry out such functions as the Synod may delegate to

Decision Making Structure: Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Southwell and Nottingham, are set by the Diocesan Synod and the Board.

The company meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Board. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold up to eight meetings during the year to formulate and coordinate policies on mission, ministry and finance. The Trustees rely upon the Diocesan Chief Executive and their team of six departmental directors for the delivery of the day to day activities of the company. The Diocesan Chief Executive is given specific and general delegated authority to deliver the business of the Board in accordance with the policies framed by the Trustees. Council are also the members of 2 statutory committees:

- **Parsonages Committee**, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, team vicarages and houses owned by the Board of Finance.
- **Diocesan Mission and Pastoral Committee**, which is responsible for the task of recommending pastoral reorganisation to the Bishop.

Other statutory committees include:

- **Diocesan Advisory Committee**, which advises on matters affecting church buildings and places of worship including the granting of faculties, the use and care of places of worship and their contents and the care of churchyards.
- **Southwell & Nottingham Diocesan Board of Patronage**, which is constituted under the provisions of the Patronage (Benefices) Measure 1986.

In addition to the statutory committees Bishop's Council has set up the **Finance Committee**, which has written terms of reference, to advise it on all financial matters. The Finance Committee meets regularly, approximately five times each year and works closely with the Diocesan Chief Executive and Director of Finance. The Finance Committee has decided, in order to give considered advice to the Bishop's Council and to understand the detail of diocesan finance, to set up the Audit Committee which advises the Finance Committee and thereby Bishop's Council, in the discharge of the Trustees' responsibilities for accounting policy, internal control, financial reporting and risk management.

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REMUNERATION OF KEY PERSONNEL

A job evaluation scheme is used to determine the salary grades of employed posts. Office holders are paid either the Diocesan stipend or that advised by the Archbishops' Council acting as the Central Stipends Authority.

GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that, despite the uncertainty of the current economic climate, the Board has sufficient monetary reserves to meet all their obligations as they fall due. The trustees consider that given the level of investments and reserves held the going concern basis is appropriate.

PRINCIPAL RISKS

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

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

Risk Type	Risk	Mitigating activity
Reputational	Safeguarding & Inclusion of children and vulnerable adults: current safeguarding incident by an individual associated with the Diocese or any church in our Diocese and adverse publicity relating to safeguarding failures in the past or present.	• Safeguarding advice is provided by a dedicated Safeguarding team • Policies are aligned with those of the national church • Training is compulsory for all relevant staff and office holders
Financial	Parish Share collection is considerably less than 100%.	• Collection statistics are produced and circulated on a monthly basis to Deanery & Diocesan personnel • Deanery finance personnel are expressly tasked with identifying, reporting on and supporting those parishes where there is considered to be a significant risk of under-collection
Reputational and Financial	IT: System failure.	• The disaster recovery plan is reviewed on an annual basis • The majority of systems are held in the cloud, with backups held remotely and in house.

FUNDRAISING

The Board of Finance does not carry out significant public fundraising activities and did not receive any complaints relating to fundraising during the year.

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DISCLOSURE OF INFORMATION TO THE AUDITOR

We, the Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant information and to establish that the company's auditor is aware of that information.

In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company directors

APPOINTMENT OF AUDITORS

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

BY ORDER OF THE TRUSTEES

+Paul Southwell and Nottingham

Signer ID: 05L8MRADJU...

The Right Revd Paul Williams
Chairman
Date: 01/05/2024 GMT

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

We have audited the financial statements of Southwell and Nottingham Diocesan Board of Finance (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated 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 2023, 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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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 trustees' report which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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:

- 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 trustees

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

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

Auditor responsibilities for the audit of the financial statements

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with management and trustees, and from our knowledge and experiences of the sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest

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extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BHP LLP

Signer ID: CRZCVPKXXZ...

BHP LLP
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: 02/05/2024 GMT

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income and endowments from:						
Donations	3	**7,499**	**1,029**	**-**	**8,528**	8,002
Charitable activities	4	**814**	**34**	**-**	**848**	812
Other activities	5	**663**	**-**	**-**	**663**	554
Investments	6	**785**	**476**	**-**	**1,261**	1,087
Other income	7	**18**	**-**	**800**	**818**	1,303
Total income and endowments		**9,779**	**1,539**	**800**	**12,118**	11,758
Expenditure on:						
Raising funds	8	**451**	**97**	**-**	**548**	455
Charitable activities	9,10	**9,645**	**1,206**	**-**	**10,851**	10,261
Clergy pension scheme movement		**-**	**-**	**-**	**-**	(93)
Total expenditure		**10,096**	**1,303**	**-**	**11,399**	10,623
Net income before gains/(losses) on investments		**(317)**	**236**	**800**	**719**	1,135
Net gains/(losses) on investments	15,16	**413**	**599**	**955**	**1,967**	(283)
Net income		**96**	**835**	**1,755**	**2,686**	852
Transfers between funds	22	**221**	**(221)**	**-**	**-**	-
Net movement in funds before other recognised gains/(losses)		**317**	**614**	**1,755**	**2,686**	852
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	28	**(56)**	**-**	**-**	**(56)**	1,357
Non-controlling interest		**-**	**-**	**-**	**-**	(3)
Net movement in funds		**261**	**614**	**1,755**	**2,630**	2,206

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Reconciliation of funds:						
Total funds brought forward as previously stated		**15,977**	**8,441**	**62,837**	**87,255**	84,238
Prior year adjustment		-	-	-	-	811
Total funds brought forward as restated		**15,977**	**8,441**	**62,837**	**87,255**	85,049
Net movement in funds		**261**	**614**	**1,755**	**2,630**	2,206
Total funds carried forward		**16,238**	**9,055**	**64,592**	**89,885**	87,255

The Consolidated Statement of Financial Activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

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CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £000		As restated 2022 £000
Fixed assets					
Tangible assets	14		**36,146**		36,458
Investments	16		**30,321**		25,437
Investment property	15		**21,154**		20,833
			87,621		82,728
Current assets					
Debtors	18	**1,024**		2,551	
Cash at bank and in hand		**3,135**		4,188	
		4,159		6,739	
Creditors: amounts falling due within one year	19	**(1,790)**		(2,104)	
Net current assets			**2,369**		4,635
Total assets less current liabilities			**89,990**		87,363
Creditors: amounts falling due after more than one year	20		**(105)**		(108)
Net assets excluding pension asset			**89,885**		87,255
Defined benefit pension scheme asset	28		**-**		-
Total net assets			**89,885**		87,255
Charity funds					
Endowment funds	22		**64,592**		62,837
Restricted funds	22		**9,055**		8,441
Unrestricted funds					
Designated funds	22	**9,226**		9,226	
General funds	22	**7,012**		6,751	
Total unrestricted funds	22		**16,238**		15,977
Total funds			**89,885**		87,255

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CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

+Paul Southwell and Nottingham
Signer ID: 05L8MRADJU...
The Bishop of Southwell and Nottingham
Director
Date: 01/05/2024 GMT

Michael Arlington
Signer ID: SCXT5LS1PL...
Canon M Arlington
Director
02/05/2024 GMT

The notes on pages 27 to 65 form part of these financial statements.

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CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £000		As restated 2022 £000
Fixed assets					
Tangible assets	14		**36,146**		36,311
Investments	16		**30,321**		25,437
Investment property	15		**21,154**		20,833
			87,621		82,581
Current assets					
Debtors	18	**1,024**		2,763	
Cash at bank and in hand		**3,135**		4,188	
		4,159		6,951	
Creditors: amounts falling due within one year	19	**(1,790)**		(2,228)	
Net current assets			**2,369**		4,723
Total assets less current liabilities			**89,990**		87,304
Creditors: amounts falling due after more than one year	20		**(105)**		(108)
Net assets excluding pension asset			**89,885**		87,196
Defined benefit pension scheme asset	28		**-**		-
Total net assets			**89,885**		87,196
Charity funds					
Endowment funds			**64,592**		62,778
Restricted funds			**9,288**		8,441
Unrestricted funds					
Designated funds		**9,226**		9,226	
General funds		**6,779**		6,751	
Unrestricted funds		**16,005**		15,977	
Total unrestricted funds			**16,005**		15,977
Total funds			**89,885**		87,196

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CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

+Paul Southwell and Nottingham
Signer ID: 05L8MRADJU...
The Bishop of Southwell and Nottingham
Director
Date: 01/05/2024 GMT

Michael Arlington
Signer ID: SCXT5LS1PL...
Canon M Arlington
Director
02/05/2024 GMT

The notes on pages 27 to 65 form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000	As restated 2022 £000
Cash flows from operating activities			
Net cash used in operating activities	25	**(107)**	(134)
Cash flows from investing activities			
Dividends, interests and rents from investments		**1,261**	1,087
Proceeds from the sale of tangible fixed assets		**1,081**	2,974
Purchase of tangible fixed assets		**-**	(271)
Proceeds from sale of investments and investment property		**5,155**	9,050
Purchase of investments		**(9,003)**	(9,984)
Proceeds on disposal of subsidiary		**-**	120
Cash transferred on disposal of subsidiary		**-**	(246)
Net cash (used in)/provided by investing activities		**(1,506)**	**2,730**
Cash flows from financing activities			
Repayments of borrowing		**(41)**	-
Interest paid		**(9)**	(9)
Net cash used in financing activities		**(50)**	**(9)**
Change in cash and cash equivalents in the year		**(1,663)**	**2,587**
Cash and cash equivalents at the beginning of the year		**6,276**	3,689
Cash and cash equivalents at the end of the year	26	**4,613**	6,276

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements consolidate the results of the Company and its subsidiary, SNDBF Solar Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Board has not been presented because the Board has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Board and are rounded to the nearest £'000.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 Going concern

The Board have prepared forecasts of income and expenditure for the period to 31 December 2024 that show deficit budgets. Due to the level of free reserves and cash resources held they are confident that they have in place plans to deal with the deficit budgets and any further financial losses that may arise.

The Board therefore continue to adopt the going concern basis of preparation for these financial statements.

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2. Accounting policies (continued)

2.3 Income

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

Parish share, and parochial fees are included on a receipts basis except for contributions received shortly after the period end that are explicitly relating to the period under review.

The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

Investment income is recognised at the time it is receivable. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. 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. In respect of housing maintenance, the policy is only to provide for orders started before the year end. The cost of office premises and other service costs have been apportioned to departments to reflect the facilities used, the basis of apportionment being floor space or headcount.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Garden equipment	-	20%	straight line
Wind turbine	-	4%	straight line
Solar panels	-	5%	straight line
Motor vehicles	-	25%	straight line
Fixtures and fittings	-	10%	straight line
Other office equipment	-	20%	straight line
Computer equipment	-	33%	straight line

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. The primary purpose of residential property is to provide accommodation for ministers in the Diocese. The freehold properties are held at cost or deemed cost by reference to the midpoint of the applicable council tax band as determined in 1996.

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 Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historic or deemed cost.

The Board's policy continues to be to replace unsuitable properties; to accommodate the changing geographical deployment of clergy within the Diocese; and to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

One value linked loan house was sold during the current year, leaving two houses remaining.

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2. Accounting policies (continued)

2.6 Investments

Fixed asset investments are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. Glebe agricultural land is valued at 31 December each year by Jas Martin & Co, Chartered Surveyors. Dunham House is professionally valued by Mr R Davis of Geo Hallam and Sons. For commercial property a desk top valuation is provided by the Diocesan surveyor. Some properties included in the Southwell & Nottingham Board of Education restricted fund are not valued and are shown at cost as there is no readily available market value. The financial investments are managed in accordance with the policy statements (including the statement on pooled funds which will be appropriate for funds managed on a multi asset basis) and restricted stock lists provided by the Ethical Investment Advisory Group of the Church of England. Active ownership and engagement via the Boards investment managers can drive positive change in corporate behaviour and the Board believes that this is part of being a responsible investor. The Board will take account of environmental, social and governance issues for both ethical and financial reasons.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

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.

2.9 Liabilities and provisions

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

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.10 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

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2. Accounting policies (continued)

2.11 Pensions

The Board's staff are members of the Board's defined contribution pension scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 28). The pension costs charged to expenditure represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Lay staff who are members of the stakeholder pension scheme, or have their contribution paid into their own personal pension plan are accounted for in the month in which they are deducted. Deficit funding for the pension schemes to which Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year. The Board also operates a defined benefit scheme for the Board's employees whose employment began prior to 1 April 1993. The contribution rates for this scheme are set by the actuary using the actuarial valuation every three years.

2.12 Fund accounting

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

Unrestricted funds are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:

General funds which the Board intends to use for the general purposes of the Board.

Designated funds are those funds set aside out of unrestricted funds by the Board for a specific purpose over whose use and purpose the Board has discretion. The accumulated capital fund is the amount transferred from the general fund, gains less loss on investments and the directors' valuation of freehold property transferred at no cost. A designated fund has also been created for deficit funding in respect of the closed defined benefit pension scheme.

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

Endowment funds are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the Board (Stipends Fund Capital, Benefice Houses and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

2.13 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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2. Accounting policies (continued)

2.14 Critical accounting estimates and assumptions

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present values of Church of England Funded Pensions Scheme and the Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme both depend on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying value of the pension liability. In the current year the Staff Retirement Benefit Scheme pension is in a surplus position which has not been recognised in the financial statements as material doubt exists around the ability to recover the asset.

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

3. Income from donations and legacies

	Unrestricted funds 2023 £000	**Restricted funds 2023 £000**	**Total funds 2023 £000**	Total funds 2022 £000
Deanery share	5,497	-	**5,497**	5,534
Archbishops' Council	1,865	1,029	**2,894**	2,315
Other donations	137	-	**137**	153
	7,499	1,029	**8,528**	8,002
Total 2022	7,341	661	8,002	

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Deanery share

The majority of donations are collected from the parishes of the diocese through the parish share system.

	Unrestricted funds 2023 £000	**Total funds 2023 £000**	Total funds 2022 £000
Newark Archdeaconry	2,960	**2,960**	2,828
Nottingham Archdeaconry	3,902	**3,902**	3,723
Voluntary contribution	101	**101**	76
Shortfall	(1,468)	**(1,468)**	(1,101)
	5,495	**5,495**	5,526
Receipts for previous years	2	**-**	8
	5,497	**5,497**	5,534
Total 2022	5,534	5,534	

Current year deanery share receipts represent 80.1% of the total apportioned (2022 - 84.4%). The deanery share calculation was reviewed during 2017 and transition provisions applied to the Deaneries which have a large disparity with the way deanery share was previously calculated.

Archbishops' Council

	Unrestricted funds 2023 £000	**Restricted funds 2023 £000**	**Total funds 2023 £000**	Total funds 2022 £000
Selective allocation	1,271	-	**1,271**	1,263
Pooling of ordinands candidates' costs	171	-	**171**	204
Strategic Ministry Funding	423	-	**423**	187
Strategic Development Funding	-	1,029	**1,029**	661
	1,865	1,029	**2,894**	2,315
Total 2022	1,654	661	2,315	

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Other donations

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Benefact Trust Grant	129	**129**	147
Other grants	8	**8**	6
	137	**137**	153
Total 2022	153	153	

4. Income from charitable activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Statutory fees	316	-	**316**	317
Contributions to sector and other chaplaincy posts	95	-	**95**	88
Contributions to costs of lay staff posts	169	-	**169**	126
Church Commissioners'	20	-	**20**	39
Loan interest receivable	4	-	**4**	8
Other contributions and income	210	34	**244**	234
	814	34	**848**	812
Total 2022	776	36	812	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. Income from other activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Housing income	663	**663**	554
Total 2022	554	554	

6. Investment income

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Rents and income from mineral rights receivable	486	28	**514**	580
Dividends and interest receivable	299	448	**747**	507
	785	476	**1,261**	1,087
Total 2022	777	310	1,087	

7. Other income

	Unrestricted funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Surplus on disposals	18	800	**818**	1,007
Subsidiary income	-	-	**-**	296
	18	800	**818**	1,303
Total 2022	731	572	1,303	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8. Expenditure on raising funds

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	**Total funds 2023 £000**	Total funds 2022 £000
Glebe agent's fee	135	-	**135**	149
Other land agent commission and expenditure	305	-	**305**	209
Investment management charges	11	97	**108**	97
	451	97	**548**	455
Total 2022	401	54	455	

9. Charitable activities

Summary by fund type

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	**Total 2023 £000**	Total 2022 £000
Contributions to Archbishops' Council	449	-	**449**	449
Resourcing Ministry and Mission	7,336	1,179	**8,515**	8,040
Support for parish ministry	1,838	18	**1,856**	1,402
Expenditure on church schools and diocesan projects	-	9	**9**	139
Other expenditure	22	-	**22**	231
	9,645	1,206	**10,851**	10,261
Total 2022	9,158	1,103	10,261	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Analysis of expenditure on charitable activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	**Total funds 2023 £000**	Total funds 2022 £000
Contributions to Archbishop's Council				
Training for Ministry	212	-	**212**	212
National Church Responsibilities	153	-	**153**	157
Retired clergy housing costs	84	-	**84**	80
	449	-	**449**	449
Resourcing Ministry and Mission				
Stipends, salaries & national insurance	4,331	1,179	**5,510**	5,433
Pension contributions	1,199	-	**1,199**	1,200
Housing costs	1,518	-	**1,518**	1,195
Removal, resettlement & other expenses	288	-	**288**	212
	7,336	1,179	**8,515**	8,040
Support for parish ministry	1,838	18	**1,856**	1,402
Expenditure on church schools	-	9	**9**	139
	1,838	27	**1,865**	1,541
Other expenditure				
Audit fees - audit	18	-	**18**	18
Audit fees - non audit	4	-	**4**	4
Subsidiary expenses	-	-	**-**	209
	22	-	**22**	231
Total 2023	9,645	1,206	**10,851**	10,261
Total 2022	9,158	1,103	10,261	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Analysis of expenditure by activities

	Direct costs 2023 £000	Grants spend (note 11) 2023 £000	Support costs 2023 £000	**Total funds 2023 £000**	Total funds 2022 £000
Contributions to Archbishops' Council	-	449	-	**449**	449
Resourcing Ministry and Mission	8,395	120	-	**8,515**	8,040
Support for parish ministry	1,567	288	1	**1,856**	1,402
Expenditure on church schools and diocesan projects	9	-	-	**9**	139
Other expenditure	4	-	18	**22**	231
	9,975	857	19	**10,851**	10,261
Total 2022	9,307	931	23	10,261	

Where costs cannot be directly attributed to particular headings, they have been allocated or apportioned to activities on a basis consistent with the use of the resources. Central support costs are apportioned on the basis of the estimated usage of resources at Jubilee House. Governance costs comprise audit fees, costs relating to the preparation of the statutory returns and the costs of hosting Diocesan Synod.

The apportionment can be summarised as follows:

Resourcing ministry and mission 81.62% (2022: 80.82%)
Church Schools 13.87% (2022: 15.08%)
Diocesan Projects 2.16% (2022: 1.97%)
Governance 2.34% (2022: 2.13%)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. Analysis of grants made

	Number 2023	Individuals 2023 £000	Institutions 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Contributions to Archbishops' Council	1	-	449	449	449
Refugee Roots	1	-	20	20	20
Clergy	38	120	-	120	74
Ordinands in training	19	146	-	146	246
Transforming Notts Together	1	-	15	15	20
Growing Disciples/ New Worshipping Community Grants	31	-	106	106	120
Perry Gift	1	1	-	1	2
Total 2023	92	267	590	857	931
Total 2022	274	322	609	931	

12. Auditor's remuneration

	2023 £000	2022 £000
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**18**	18
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**12**	8

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Staff costs

	2023	2022
	£000	£000
Salaries and stipends	**1,733**	1,664
National insurance contributions	**172**	165
Church of England Funded Pension scheme costs	**-**	59
Defined benefit pension scheme costs	**109**	52
Defined contribution schemes cost	**146**	134
	2,160	2,074

The Church of England Funded Pension scheme included 8 employees (2022: 8 employees). The defined benefit scheme included 1 employee (2022: 1 employee) and the defined contribution schemes included 53 employees (2022: 53 employees).

Total staff costs total £6,792k for the year. This includes the staff costs above of £2,160k, stipends as shown below of £4,428k, capacity building posts of £150k and pension finance costs of £54k.

In note 9 these total staff costs are split between stipends, salaries and national insurance of £5,510k, pension contributions of £1,199k, and lay staff costs of £83k within housing costs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Staff costs

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

	Group 2023 No.	Group 2022 No.
Administration	**13**	14
Safeguarding	**10**	12
Financial management and Stewardship	**7**	6
Property	**3**	5
Discipleship and Ministry	**12**	13
Education	**9**	11
Communications	**1**	1
Recharged to other entities	**5**	4
	60	66

The average headcount expressed as full-time equivalents was:

	Group 2023 No.	Group 2022 No.
Administration	**9.36**	10.34
Safeguarding	**4.81**	4.89
Financial management and Stewardship	**6.46**	5.66
Property	**2.66**	3.24
Discipleship and Ministry	**9.79**	12.39
Education	**7.32**	7.57
Communications	**1.00**	1.00
Recharged to other entities	**3.65**	4.30
	45.05	49.39

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	**1**	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	**1**	-

Pension payments of £15,014 (2022: £14,493) were made for these employees.

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2023 they were:

Diocesan Chief Executive and Company Secretary	Mr M Cooper
Director of Discipleship and Ministry	Revd Canon Dr R Kellett
Diocesan Director of Education	Mr N Frith
Director of Communications	vacant
Director of Finance	Mrs R Bowes (resigned 24 February 2023)
Director of Finance	Mrs K Proctor (appointed 1 August 2023)
HR Manager	Mrs J Brothwell
Programme Manager	Mr N Peake
Diocesan Safeguarding Advisor	Mr J Hodgson

Remuneration, including employers' NI and employers' pension contributions for these 8 (2022: 6) employees amounted to £469,123 (2022: £484,992 as restated).

Directors' emoluments

No Director received any remuneration for services as Director. 9 Directors received travelling and out of pocket expenses, totalling £7,458 (2022: 8 Directors received £7,910) in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Directors.

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13. Staff costs (continued)

The following table gives details of the stipendiary Directors, including those who were in receipt of a stipend and/or housing provided by the Board during the year:

	Stipend	**Housing**
The Right Revd P Williams	No	No
The Right Revd A Emerton	No	Yes
The Ven V Ramsey	Yes	Yes
The Ven P Williams	Yes	Yes
The Revd S Hustwayte	Yes	Yes
The Revd Canon S D Silvester	Yes	Yes
The Revd L Lima (to August 2023)	Yes	Yes
The Revd P Shaw	Yes	Yes
The Revd Canon M Tanner	Yes	Yes
The Revd Z Burton	Yes	Yes

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

The Board paid an average of 123 (2022: 117) stipendiary clergy as officeholders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2023	2022
	£000	£000
Stipends	**3,242**	3,112
National insurance contributions and apprenticeship levy	**290**	283
Pension costs - current year	**896**	910
	4,428	4,305

The annual rate of stipend, funded by the Board, paid to Archdeacons was in the range £39,000 - £40,000 (2022: £36,100 - £38,000) and other clergy who were Trustees were paid in the range £28,000 - £29,000 (2022: £25,770 - £27,519).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

14. Tangible fixed assets

Group

	Freehold houses (see below) £000	Diocesan Office & caretakers' bungalow £000	Wind Turbine & solar panels £000	Office equipment £000	Total £000
Cost					
At 1 January 2023	**32,478**	**3,809**	**226**	**532**	**37,045**
Disposals	**(281)**	**-**	**-**	**-**	**(281)**
At 31 December 2023	**32,197**	**3,809**	**226**	**532**	**36,764**
Depreciation					
At 1 January 2023	**-**	**27**	**79**	**481**	**587**
Charge for the year	**-**	**1**	**-**	**30**	**31**
At 31 December 2023	**-**	**28**	**79**	**511**	**618**
Net book value					
At 31 December 2023	**32,197**	**3,781**	**147**	**21**	**36,146**
At 31 December 2022	32,478	3,782	147	51	36,458

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14. Tangible fixed assets (continued)

Charity

	Freehold houses (see below) £000	Diocesan Office & caretakers' bungalow £000	Plant and machinery £000	Office equipment £000	Total £000
Cost or valuation					
At 1 January 2023	**32,478**	**3,809**	**-**	**532**	**36,819**
Transfers intra group	**-**	**-**	**226**	**-**	**226**
Disposals	**(281)**	**-**	**-**	**-**	**(281)**
At 31 December 2023	**32,197**	**3,809**	**226**	**532**	**36,764**
Depreciation					
At 1 January 2023	**-**	**27**	**-**	**481**	**508**
Charge for the year	**-**	**1**	**-**	**30**	**31**
Transfers intra group	**-**	**-**	**79**	**-**	**79**
At 31 December 2023	**-**	**28**	**79**	**511**	**618**
Net book value					
At 31 December 2023	**32,197**	**3,781**	**147**	**21**	**36,146**
At 31 December 2022	32,478	3,782	-	51	36,311

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Tangible fixed assets - freehold houses

	2023 Cost or deemed cost £000	2023 Number of houses	2022 Cost or deemed cost £000	2022 Number of houses
Endowment funds				
Benefit houses fund				
Parsonage houses	17,620	124	17,864	125
Glebe funds				
Housing of team vicars, curates & others	7,594	41	7,594	41
Unrestricted (designated) funds				
Corporate property				
City Centre Resource Church	1,498	1	1,498	1
Housing of senior clergy, curates & others	5,530	20	5,382	19
Houses subject to value-linked loans				
Housing of curates and others	102	2	140	3
	32,344	188	32,478	189

Diocesan offices include the caretaker's bungalow situated in the grounds of Dunham House and amounts capitalised as part of the Jubilee House office build shown at cost. There is no reliable market value, but a valuation of both Jubilee House and the bungalow would be greater than historic cost. Dunham House is held in investment properties as it has been converted to 7 apartments for rental. A professional year end valuation has been obtained from Mr G Davis from the Board's property agent, who is an independently qualified surveyor. Dunham House is valued on a freehold market value basis.

All of the freehold houses included above are freehold and are vested In the Board, except for benefice houses, which are vested in the incumbent. The Board is not free to dispose or encumber these properties as it sees fit, as they are to be used for clergy housing. They are carried at cost or deemed cost and in the opinion of the Directors, the carrying value of land and buildings is less than the market value. The costs of revaluation are considered to outweigh the benefits to the reader of the accounts. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £102,000 (2022: £139,000). Of the total land and buildings at 31 December 2023, £14.3m are valued at cost (2022: £14.3m), with the rest at deemed cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Investment property

Group and Charity

	Freehold investment property £000
Valuation	
At 1 January 2023 (as restated)	**20,833**
Disposals	**(105)**
Surplus on revaluation	**426**
At 31 December 2023	**21,154**

Due to their nature the historic cost of investment properties is not known. Included in investment properties are restricted funds of £nil (2022: £nil), endowment funds of £18,740k (2022: £18,419k) and unrestricted funds of £2,414k (2022: £2,414k).

16. Fixed asset investments

	Listed investments £000	Unlisted investments £000	Total 2023 £000	As restated Total 2022 £000
Cost or valuation				
At 1 January (as restated)	22,201	1,148	**23,349**	23,911
Additions	9,003	-	**9,003**	9,419
Disposals	(5,050)	-	**(5,050)**	(8,251)
Revaluations	1,634	(93)	**1,541**	(1,730)
At 31 December	27,788	1,055	**28,843**	23,349
Investment cash	1,478	-	**1,478**	2,088
At 31 December	29,266	1,055	**30,321**	25,437

Included in the fixed asset investments are restricted funds of £9,053k (2022: £8,115k), endowment funds of £12,399k (2022: £11,119k) and unrestricted funds of £8,869k (2022: £6,203k).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

17. Subsidiaries

The Diocesan Board of Finance had two trading subsidiaries in the prior year, operating in the renewable enery sector.

Wind FX Limited which is incorporated in the United Kingdom (company number 09601836) and was 60% owned by the Board. Wind FX Limited was incorporated on 20 May 2015 and the Board acquired its shares on 4 December 2015, this company was sold on 22 December 2022.

SNDBF Solar Limited, which is incorporated in the United Kingdom (company number 09792284), was incorporated on 23 September 2015 and 100% of the shares were acquired on the same date. On 1 January 2023 the assets and liabilities of SNDBF Solar Limited were hived up into Southwell and Nottingham Diocesan Board of Finance leaving no remaining subsidiaries as at 31 December 2023.

18. Debtors

	Group 2023 £000	Group 2022 £000	**Charity 2023 £000**	Charity 2022 £000
Due after more than one year				
Amounts owed by group undertakings	**-**	-	**-**	226
Loans to parishes	**47**	65	**47**	65
	47	65	**47**	291
Due within one year				
Trade debtors	**108**	153	**108**	153
Rent debtors	**121**	121	**121**	121
Loans to parishes	**14**	25	**14**	25
Other debtors	**238**	1,945	**238**	1,931
Prepayments and accrued income	**403**	168	**403**	168
Current year Parish share	**93**	74	**93**	74
	1,024	2,551	**1,024**	2,763

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19. Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	**Charity 2023 £000**	Charity 2022 £000
Trade creditors	**275**	94	**275**	94
Amounts owed to group undertakings	**-**	-	**-**	146
Other taxation and social security	**54**	-	**54**	-
Other creditors	**85**	203	**85**	181
Accruals and deferred income	**1,376**	1,776	**1,376**	1,776
Mission development fund grants	**-**	31	**-**	31
	1,790	2,104	**1,790**	2,228

20. Creditors: Amounts falling due after more than one year

	Group 2023 £000	Group 2022 £000	**Charity 2023 £000**	Charity 2022 £000
Loan with the Central Board of Finance - interest free	**7**	8	**7**	8
Church Commissioners value-linked loans	**98**	99	**98**	99
Southwell & Nottingham Board of Education	**-**	1	**-**	1
	105	108	**105**	108

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. Interest at the time of the advance is at the rate of 4% per annum (3% per annum on loans advanced on or before 31 December 1992) rising annually by the increase in the Retail Prices Index. As the date of disposal of the property is not known, the analysis of the date due cannot be calculated.

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Included within the above are amounts falling due as follows:

	Group 2023 £000	Group 2022 £000	**Charity 2023 £000**	Charity 2022 £000
Between one and two years				
Loan with the Central Board of Finance - interest free	**7**	8	**7**	8
Southwell & Nottingham Board of Education	**-**	1	**-**	1
Over five years				
Church Commissioners value-linked loans	**98**	99	**98**	99

21. Prior year adjustments

There has been a prior year adjustment to reflect the true value of investment properties which dates back a number of years. The impact of the prior year adjustment is to increase investment property valuation brought forward by £811,000, increase general unrestricted funds by £877,000 and reduce endowment funds by £66,000 as at 31 December 2021 and 31 December 2022. There is no impact on the reported surplus in the year to 31 December 2022.

There has also been a prior year adjustment to move two investment portfolios totalling £4,211,000 to listed investments from unlisted investments. There is no impact on the reported surplus or net assets at 31 December 2022.

The prior year cash flow statement has been restated to include cash held in investments of £2,088,000 within cash and cash equivalents. There is no impact to the funds of the charity or the result for the year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2023 £000
Unrestricted funds						
Designated funds						
Accumulated Capital	**9,118**	-	-	-	-	**9,118**
Mission Development fund	**108**	-	-	-	-	**108**
	9,226	-	-	-	-	**9,226**
General funds						
General fund	**6,695**	**9,779**	**(10,096)**	**221**	**413**	**7,012**
Pension reserve	**56**	-	-	-	**(56)**	-
	6,751	**9,779**	**(10,096)**	**221**	**357**	**7,012**
Total Unrestricted funds	**15,977**	**9,779**	**(10,096)**	**221**	**357**	**16,238**
Endowment funds						
Benefice houses fund - expendable	**18,430**	-	-	-	-	**18,430**
Stipends fund capital - expendable	**39,799**	**800**	-	-	**639**	**41,238**
Parsonages capital - expendable	**166**	-	-	-	**23**	**189**
Stipends - permanent	**1,722**	-	-	-	**210**	**1,932**
Bramcote Bungalows - permanent	**970**	-	-	-	**136**	**1,106**

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22. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2023 £000
Haseldine Homes - permanent	**565**	**-**	**-**	**-**	**112**	**677**
Perry Gift Fund - permanent	**778**	**-**	**-**	**-**	**109**	**887**
Other permanent endowment funds	**407**	**-**	**-**	**-**	**(274)**	**133**
	62,837	**800**	**-**	**-**	**955**	**64,592**

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22. Statement of funds (continued)

Restricted funds

Diocesan Board of Education	**7,729**	**261**	**(60)**	**(221)**	**519**	**8,228**
Pastoral Account	**195**	**-**	**-**	**-**	**-**	**195**
Strategic Development Funding	**-**	**1,029**	**(1,029)**	**-**	**-**	**-**
Other restricted income funds	**517**	**249**	**(214)**	**-**	**80**	**632**
	8,441	**1,539**	**(1,303)**	**(221)**	**599**	**9,055**
Total of funds	**87,255**	**12,118**	**(11,399)**	**-**	**1,911**	**89,885**

Statement of funds - prior year

	As restated Balance at 1 January 2022 £000	Income £000	As restated Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	As restated Balance at 31 December 2022 £000
Unrestricted funds						
Designated funds						
Accumulated Capital	8,498	-	-	-	620	9,118
Mission Development fund	108	-	-	-	-	108
Closed pension scheme deficit funding	1,386	-	-	(1,386)	-	-
	9,992	-	-	(1,386)	620	9,226

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22. Statement of funds (continued)

General funds						
General fund	6,318	9,916	(9,387)	253	(405)	6,695
Non-controlling interest	(45)	263	(257)	42	(3)	-
Pension reserve	(1,386)	-	85	-	1,357	56
	4,887	10,179	(9,559)	295	949	6,751
Total Unrestricted funds	14,879	10,179	(9,559)	(1,091)	1,569	15,977
Endowment funds						
Benefice houses fund - expendable	17,858	572	-	-	-	18,430
Stipends fund capital - expendable	37,882	-	-	964	953	39,799
Parsonages capital - expendable	187	-	-	-	(21)	166
Clergy pension fund deficit	(221)	-	93	127	-	(1)
Stipends - permanent	1,688	-	-	-	34	1,722
Bramcote Bungalows - permanent	1,094	-	-	-	(124)	970
Haseldine Homes - permanent	631	-	-	-	(66)	565
Perry Gift Fund - permanent	877	-	-	-	(99)	778
Other permanent endowment funds	477	-	-	-	(69)	408
	60,473	572	93	1,091	608	62,837

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22. Statement of funds (continued)

Restricted funds

Diocesan Board of Education	8,997	219	(386)	-	(1,101)	7,729
Pastoral Account	221	-	(26)	-	-	195
Strategic Development Funding	-	661	(661)	-	-	-
Other restricted income funds	479	127	(84)	-	(5)	517
	9,697	1,007	(1,157)	-	(1,106)	8,441
Total of funds	85,049	11,758	(10,623)	-	1,071	87,255

Description of funds

Expendable Endowment Funds - investment income is usable only for the specific purposes for which the endowment was given and the trustees may convert the capital into spendable income depending on various restrictions:

Benefice houses fund	represents the value of benefice houses at the balance sheet date together with the Parsonages Building funds held by the Church Commissioners. These houses are used to provide accommodation for parochial clergy. The Board Is not free to dispose of the houses except in accordance with appropriate measures.
Stipends fund capital (Glebe funds)	represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The funds generate income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Globe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.
Parsonages Capital	the income to be applied to meet personage houses costs.
Clergy pension fund deficit	details contained in note 28

Permanent Endowment Funds - investment income only is usable for the specific purposes for which the endowment was given:

Stipends	to augment clergy stipends.
Bramcote Bungalows	to provide housing for retired clergy or their spouses.

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Haseldine Homes	to contribute to the payment of pension contributions for stipendiary clergy in the diocese.
Perry Gift Fund	to provide grants to clergy and lay persons deserving of financial assistance.

Other Permanent Endowment Funds

Ministers in training	to provide grants to ministers in training.
Miss E L Brown Trust	to be applied at the discretion of the Bishop of Southwell.
Nottingham University Chaplaincy	to pay the expenses of the Nottingham University chaplaincy.
Sacrista Canonry	to be applied for the Canon appointed to occupy the stall of the Canonry of Sacrista in Southwell Minister
Southwell House/Hostel Charity	to be applied to property outgoings.
Yapp Donation	to be applied for a former employee's annuity, with any surplus to be used for the benefit of persons who are physically or mentally handicapped.

Restricted Funds - can only be used for the specific purposes for which they were given:

Diocesan Board of Education	to administer the scheme for the Diocese's Church Schools' building programme and to operate for the benefit of Church Schools.
Pastoral account	set up under the provisions of the Pastoral Measure 1983 and represents proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983.
Strategic Development Fund	represents sums of money made available by the Archbishop's Council set aside for mission development.

Other Restricted Funds

Landon Bequest	to fund Church of England students and Ordinands to serve overseas.
Natal Link Fund	represents donations from parishes and individuals for general work and specific projects in the Diocese of Natal.
Readers Association	to meet central costs for Readers.
Industrial Chaplaincies	to meet central costs for industrial chaplaincies.

Designated Funds - general funds that the Trustees have chosen to use for a specific purpose:

Accumulated Capital Fund	represents amounts transferred from the general fund, gains less losses on investments and the directors' valuation of property transferred at no cost. This fund is designated for use to purchase fixed assets.

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Mission Development Fund	Amounts in addition to the restricted fund set aside for Mission Development.
Closed Pension Fund Deficit Funding	amounts transferred from the general fund to mect future deficit contributions.

General fund - the general fund is the Board's unrestricted undesignated fund available for any of the Board's purposes without restriction.

Transfers between funds

No transfers have been made in the year.

23. Summary of funds

Summary of funds - current year

	As restated Balance at 1 January 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2023 £000
Designated funds	**9,226**	**-**	**-**	**-**	**-**	**9,226**
General funds	**6,751**	**9,779**	**(10,096)**	**221**	**357**	**7,012**
Endowment funds	**62,837**	**800**	**-**	**-**	**955**	**64,592**
Restricted funds	**8,441**	**1,539**	**(1,303)**	**(221)**	**599**	**9,055**
	87,255	**12,118**	**(11,399)**	**-**	**1,911**	**89,885**

Summary of funds - prior year

	As restated Balance at 1 January 2022 £000	Income £000	As restated Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	As restated Balance at 31 December 2022 £000
Designated funds	9,992	-	-	(1,386)	620	9,226
General funds	4,887	10,179	(9,559)	295	949	6,751
Endowment funds	60,473	572	93	1,091	608	62,837
Restricted funds	9,697	1,007	(1,157)	-	(1,106)	8,441
	85,049	11,758	(10,623)	-	1,071	87,255

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	3,802	-	32,344	**36,146**
Fixed asset investments	8,869	9,053	12,399	**30,321**
Investment property	2,414	-	18,740	**21,154**
Debtors due after more than one year	47	-	-	**47**
Current assets	2,323	680	1,109	**4,112**
Creditors due within one year	(1,112)	(678)	-	**(1,790)**
Creditors due in more than one year	(105)	-	-	**(105)**
Total	16,238	9,055	64,592	**89,885**

Analysis of net assets between funds - prior year

	Unrestricted funds (as restated) 2022 £000	Restricted funds (as restated) 2022 £000	Endowment funds (as restated) 2022 £000	Total funds 2022 £000
Tangible fixed assets	3,834	-	32,624	36,458
Fixed asset investments	6,203	8,115	11,119	25,437
Investment property	2,480	-	18,353	20,833
Debtors due after more than one year	65	-	-	65
Current assets	4,181	1,504	989	6,674
Creditors due within one year	(678)	(1,178)	(248)	(2,104)
Creditors due in more than one year	(108)	-	-	(108)
Total	15,977	8,441	62,837	87,255

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £000	Group 2022 £000
Net income for the year (as per Statement of Financial Activities)	**2,686**	852
Adjustments for:		
Depreciation charges	**31**	107
(Gains)/losses on investments	**(1,967)**	1,252
Dividends, interests and rents from investments	**(1,261)**	(1,087)
Profit on the sale of fixed assets	**(800)**	(1,006)
Gain on disposal of subsidiary	**-**	(969)
Decrease in debtors	**1,471**	200
Increase/(decrease) in creditors	**(276)**	814
Defined benefit scheme finance cost	**-**	24
Defined benefit scheme cost less contributions payable	**-**	(109)
Clergy pension scheme adjustment	**-**	(221)
Interest paid	**9**	9
Net cash used in operating activities	**(107)**	(134)

26. Analysis of cash and cash equivalents

	Group 2023 £000	Group As restated 2022 £000
Cash in hand	**3,135**	4,188
Investment cash (note 16)	**1,478**	2,088
Total cash and cash equivalents	**4,613**	6,276

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

27. Analysis of changes in net debt

	As restated At 1 January 2023 £000	Cash flows £000	At 31 December 2023 £000
Cash at bank and in hand	**4,188**	**(1,053)**	**3,135**
Cash equivalents	**2,088**	**(610)**	**1,478**
Debt due after 1 year	**(107)**	**2**	**(105)**
	6,169	**(1,661)**	**4,508**

28. Pension commitments

The Board participates in two pension schemes, both of which hold the assets of the schemes separately from those of the Board and the other participating employers. One of these is the Church of England Funded Pension Schemes for stipendiary clergy, the other is The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme for lay staff.

Church of England Funded Pension Scheme

This scheme is administered by the Church of England Pensions Board. Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2022 £909,903- 2021 €,912,000) plus the 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 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7%pa
- RPI inflation of 3.6% pa (and pension increases consistent with this)
- Increase in pensionable stipends of 3.4% pa
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an Initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January

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28. Pension commitments (continued)

2023, since the Scheme was in surplus.

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

The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme - Defined Benefits Scheme

The Board operates a defined benefit pension scheme in respect of eligible employees whose employment began on or before 1st April 1993. The Board is required to follow Financial Reporting Standard 102 in disclosing the financial position of the scheme. The trustees of the scheme are required to act in the best interests of the Scheme's beneficiaries. The Scheme Trust Deed requires that one trustee be appointed from amongst the active members of the scheme - a member-nominated trustee. One trustee is appointed from amongst the membership of Bishop's Council (the Board of Directors) and the third and final trustee is the officeholder of the post of Chief Executive of the Board of Finance.

The contribution is determined by a qualified actuary on the basis of triennial valuations using the 'Attained Age Method' and the most recent valuation was at 31st March 2017. During the year the Board paid contributions of £109,000 (2022: £109,000). The Board's agreed future contribution rate equates to 34% of pensionable salaries (previously 24%) and member employees contribute 5% to the Scheme. The annual contribution to the scheme is charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Board.

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

	At 31 December 2023 %	At 31 December 2022 %
Discount rate	**4.60**	4.90
Future pension increases	**3.10**	3.20
Inflation assumption (RPI)	**3.20**	3.30
Inflation assumption (CPI)	**2.40**	2.30

	At 31 December 2023 Years	At 31 December 2022 Years
Mortality rates (in years)		
- for a male aged 65 now	**21.4**	22.7
- at 65 for a male aged 45 now	**22.7**	24.4
- for a female aged 65 now	**23.6**	24.7
- at 65 for a female aged 45 now	**25.1**	26.5

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

28. Pension commitments (continued)

The group's share of the assets in the scheme was:

	At 31 December 2023 £000	At 31 December 2022 £000
Equities	**-**	2,513
Bonds	**3,697**	837
Cash	**47**	-
Total fair value of assets	**3,744**	3,350

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

	2023 £000	2022 £000
Interest income	**-**	91
Interest cost	**-**	(67)
Total amount recognised in the Consolidated Statement of Financial Activities	**-**	24

Movements in the present value of the defined benefit obligation were as follows:

	2023 £000
Opening defined benefit obligation	**(3,294)**
Actuarial losses/(gains)	**56**
Actuarial losses/(gains) not recognised	**(223)**
Benefits paid	**159**
Closing defined benefit obligation	**(3,302)**

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28. Pension commitments (continued)

Movements in the fair value of the group's share of scheme assets were as follows:

	2023
	£000
Opening fair value of scheme assets	**3,350**
Actuarial gains/(losses) not recognised	**444**
Actuarial gains/(losses)	**-**
Contributions by employer	**109**
Benefits paid	**(159)**
Closing fair value of scheme assets	**3,744**

	2023	2022
	£000	£000
A reconciliation of the balance sheet liability is set out below		
Closing defined benefit obligation	**(3,302)**	(3,294)
Closing fair value of scheme assets	**3,744**	3,350
Surplus not recognised	**(442)**	-
	-	56

In the prior year the small surplus of £56,000 was recognised in other debtors. In the current year the large surplus of £442,000 has not been recognised in the financial statements as a material doubt arises over the ability of the charity to recover these funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

29. Related party transactions

Transforming Notts Together
The Board of Finance are the founding members of "Transforming Notts Together", which is a charitable company limited by guarantee. TNT paid the Board £105,289 (2022: £108,253) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2023 was £1,424 (2022: £30,556).

The Diocese of Southwell & Nottingham Education Trust
This Charity has been set up in response to the likely challenge of a large number of Church of England Schools converting or otherwise becoming Church of England Academies under the Academies Act 2010. The Charity will perform a role in the Diocese in supporting Church of England Academy Trusts to fulfil their responsibilities In relation to their schools/academics and as a member of each of the Church of England Academy Trusts also to challenge and to hold governors to account in this regard. The Charity is also Intended to operate as a sponsor or co-sponsor of Church of England Academies in the Diocese and elsewhere as required. The Trustees are lan Griffiths, Revd Canon Mark Tanner, Canon John Loughton, Martin Cooper and Nigel Frith. There were no transactions in the financial year.

The Diocese of Southwell & Nottingham Multi Academy Trust
The company was set up in August 2013 and is a limited by guarantee without share capital. The company houses the church schools which have converted to Academy status. The directors are Canon Philip Blinston, Roger Periam, John Hunter, Hilary Craik, Chris Moodie, Angela Pae, Canon John Loughton, and Nigel Frith. The Multi Academy Trust paid the Board £45,840 (2022: £26,304) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2023 was £11,117 (2022: £7,514).

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 of Finance to support the furtherance of the Board of Finance's objects.

Subsidiaries
SNDBF Solar Limited has been hived up at the start of the year, so there is no balance owing at the year end to the charity (2022: debtor of £145,859).

30. Contingent liabilities

The Board is also party to a guarantee in respect of Bluecoat Academy, as in common with all Church of England schools, the Board owns the land the school building is built upon.

31. Funds held as custodian trustee

The Board acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. Each year an annual statement of value is made available to all PCCs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

32. Devolved capital formula

Since April 2006, the Education Funding Agency (EFA) have paid devolved Formula Capital (DFC), directly to schools or dioceses before the funds are spent on capital projects. This year education restricted funds received £123,000 on behalf of 4 schools (2022- £16,016 on behalf of 2 schools). These funds are maintained in individual school ledgers with payments and governors 10% contributions shown. The Schools Executive Officer monitors these accounts and advises schools of current balances and authorises payments.

33. Collaboration agreement

In 2010 the Board entered into a collaboration agreement with 5 other parties to develop land for housing. The terms of the agreement are such that the Promoter has first call on any receipts from the housing developer, as they are responsible for putting the infrastructure into the site for it to be developed for new homes. Any surplus left at the end of the project will be shared amongst the members of the collaboration agreement, but at 31 December 2023, the timing and receipt of these funds cannot be measured with any material certainty. During 2021 the four parcels of land owned by the Board were sold to the housing developer, but in accordance with the Collaboration agreement the proceeds were added to the collaboration account to cover continuing infrastructure costs, and were not remitted to the Board. There is a fixed charge dated 11 April 2018, in favour of Homes and Communities Agency relating to the collaboration agreement, regarding a small piece of land that is part of the agreement owned by the Board.

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SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249359

Accounts

THE CHURCH OF ENGLAND

Diocese of Southwell & Nottingham

SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE

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ADMINISTRATIVE DETAILS
For the year ended 31 December 2022

Trustees

In accordance with the Companies Act 2006, The Statement of Recommended Practice 2019 (SORP 2019) and Financial Reporting Standard 102 (FRS 102), the Trustees (for the purposes of charity law) and Directors (for the purposes of company law) during the year and as at the date of signing follow:

PRESIDENT

The Bishop of Southwell and Nottingham, Right Revd Paul Williams

BISHOP'S COUNCIL AND STANDING COMMITTEE OF THE DIOCESAN SYNOD (BEING THE FINANCIAL EXECUTIVE OF THE DIOCESAN SYNOD AND THE BOARD OF DIRECTORS OF THE BOARD OF FINANCE)

EX-OFFICIO

The Rt Revd The Bishop of Southwell & Nottingham
The Rt Revd The Bishop of Sherwood
The Very Revd The Dean of Southwell
The Venerable The Archdeacon of Newark **(a)**
The Venerable The Archdeacon of Nottingham **(a)**
The Chair of the House of Clergy of the Diocesan Synod (Revd S Hustwayte) **(a)**
The Chair of the House of Laity of the Diocesan Synod (Mr M Wilson) **(a) (b)**
The Chair of the Finance Committee (Canon M Arlington) **(a)**

ELECTED BY THE SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD

CLERGY (5)
Newark Archdeaconry (2)
Revd L Lima
Revd Z Burton

Nottingham Archdeaconry (3)
Revd Canon S Silvester
Revd P Shaw
Revd M Tanner (b)

LAITY (9)
Newark Archdeaconry (4)
Professor P Harris
Mr R Brand
Mrs C Shaw
Vacant

Nottingham Archdeaconry (6)
Mr C Barber
Miss S Waterston
Mrs J Gray
Mr C M Bolton
Mr R Cleave (a)
Mr R Gutteridge

(a) Member of the Finance Committee
(b) Member of the Board of Education

PRINCIPAL OFFICERS AND ADVISERS

Diocesan Chief Executive & Company Secretary	Mr M L Cooper BA (Hons) FCA ATII
Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance	Mrs A J Redgate LLB

HEADS OF DEPARTMENTS

Director of Discipleship & Ministry	Revd Canon Dr R Kellett BTh (Hons), BSc (Hons), MA, PhD
Director of Partnerships & Mission	Revd D McCoulough BA (Hons) MA (resigned 31 March 2023)
Director of Education	Mr N Frith BA MA NPQH
Director of Communications	Vacant
Director of Finance	Mrs R A J Bowes FCCA (resigned 24 February 2023)

BANKERS

Lloyds Bank, Nottingham

INVESTMENT MANAGERS

CCLA Central Board of Finance of
the Church of England
Rathbones Investment Management Ltd
Mayfair Capital Investment Management Ltd
Ruffer LLP

SOLICITORS

Rotheras, Nottingham

CHARTERED SURVEYORS

Jas. Martin & Co, Lincoln
Tanners, Nottingham
Geo Hallam & Sons, Nottingham

MINING, MINERALS, ENGINEERING & ENVIRONMENTAL CONSULTANTS

Mineral Surveying Associates

INSURERS

Ecclesiastical Insurance Group

AUDITOR

BHP LLP
2 Rutland Park
Sheffield
S10 2PD

REGISTERED ADDRESS

Jubilee House
Westgate
Nottingham
NG25 0JH

'Every good gift and every perfect gift is from above, coming down from the Father of lights, with whom there is no variation or shadow due to change.'

James 1:17

As I look back on 2022, I reflect on a series of extraordinary events, shifts and changes on both a national and global scale. We have tentatively emerged from a pandemic and begun to gauge its aftermath, witnessed an unprovoked war against Ukraine resulting in the fastest displacement of people in Europe since World War II, felt the subsequent impact on energy and food markets with rising prices and scarcity of supplies, and within our own country, witnessed the warmest year on record, unprecedented leadership changes, and a nation united in grief with the death of a beloved Queen. In the midst of such trials, it is all too tempting to focus on what we have lost, what has adversely changed or what we are lacking and in so doing, to question the trustworthiness and immutability of God. And yet as James reminds the church, God is the source of every good and perfect gift; he does not change when circumstances change, he doesn't become less generous or loving when shadows gather. In such times as this, we are called to trust God more. And so it is that I continue to be deeply thankful as I also review the life and ministry of our diocese over the last twelve months. Inspired and guided by the Father of Lights, congregations and clergy have been compelled to draw upon those good gifts of resilient faith, renewed courage and resourceful innovation to sustain mission and core activities across **300+ churches, 73 church schools and many other places of mission.**

Whilst recognising the challenge of establishing a clear picture of where parishes have grown or declined in their overall ministry for this duration, we are encouraged to see our aspirations for **Growing Disciples** bearing fruit through new people engaging with the life of the church, and some inspiring stories of a refreshed vision for mission. Across the rich diversity of market towns, rural, estates, urban and suburban contexts, we have seen existing church communities adapting to the emerging missional opportunities, and prayerfully engaging with **new models of ministry**. With the support of some of our **larger resourcing churches**, **planting and grafting** has enabled some churches to engage in a new a season of revitalisation. It has brought the blessing of new co-workers from sending churches, along with new partnerships in the local community, that has created fresh impetus for mission and growth *(including St Paul's Daybrook, Holy Trinity Lenton, St Stephen's Sneinton, St Swithun's Retford, All Hallows Lady Bay, St Leo's, Basford and St Wilfrid's, Wilford).* Through **Transformational Change Appointments,** a number of clergy appointments have been re-shaped to enable significant change to facilitate growth; some of these are time-specific appointments that ensure we do not reduce the level of stipendiary ministry while maintaining flexibility in future deployment planning in the medium term. To date we have made 12 Transformational Change Appointments. For the first time, **Local Missional Leaders (LMLs)** are also being called and equipped; currently 5 lay LMLs are being commissioned to lead local mission within new initiatives and existing parishes. This is in addition to the 12 Licensed Lay Ministers (Readers) licensed in October 2022.

We continue to build on our heritage of children, families and youth ministry in the diocese as we seek to see a step change in these ministries across the diocese "**Growing Younger and More Diverse**", with the aim of seeing many more children and young people coming to know Jesus and grow as disciples of Christ. Greatly assisted by Strategic Development Funding (SDF), amounting to £2.25m given over the last 5 years, the past twelve months have seen the establishment of 10 flagship churches for children and families' ministries and 5 new youth hubs. Investment has also been made available for up to a further 25 churches where there are signs of significant potential for growth in youth, children and families' ministries. This focus is on being '**locally led, centrally supported',** with individual churches taking the lead in the delivery of mission and ministry but with central support from the diocese, offering capacity to develop people and ministry across all of our diverse communities and churches. This focus aligns with the missional opportunity for **further collaboration between parishes and local church schools,** where we are already greatly encouraged by some new signs of exponential growth in certain contexts with in-school, after-school mid-week worship for children and carers led by the local church leadership (for example at St Michael's Farnsfield and the Cranmer Group). This aligns well with the strategic intent of the Diocesan Board of Education (DBE) as it seeks to articulate and promote Christian distinctiveness across our church schools and academies.

CHAIRMAN'S FOREWORD (continued)
For the year ended 31 December 2022

As an essential core element of our mission, the diocese continues to invest in and embed **good Safeguarding practices** into every part of the life of the diocese, and as we implement the key recommendations of the Past Cases Review (PCR) 2, undertaken across the Church of England, which has also affirmed existing good practice which is in place. Progress also continues to be made in fostering a vision for **a more diverse church**; this includes the GMH (Global Majority Heritage) Advisory Group agreeing and beginning to implement a Racial Justice Action Plan, although we are not complacent that there is significant work to do to ensure that vision is turned into action. The diocese has also been blessed by the volunteer support of a Diocesan Environment Officer to help shape and promote wider engagement with our '**Caring for Creation' agenda**. To date, we are pleased that 93 churches have registered with A Rocha, the Christian environmental charity, as an Eco church, with 20 churches achieving a Bronze Eco award and 7 a Silver Eco award; in the summer of 2022, the Diocese of Southwell and Nottingham also received a diocesan Bronze eco award in Summer 2022. Although this is a significant achievement, we know that it's just a start and we have much to do together over the coming years, and if we are to become carbon neutral by 2030. Aware that half of diocesan carbon footprint is produced by our church schools, the DBE is working proactively with schools to meet their zero-carbon agenda.

Foundational to all these aspirations, and recognising that we continue to live in a time of rapid change and uncertainty, we seek to be a diocese rooted in prayer and thanksgiving. As part of this, since the autumn of 2022, each month we have designated a special **Diocesan Day of Worship and Prayer**, with gatherings in different locations across the diocese. It has been so heartening to witness how church groups and individuals have been enriched by these opportunities to receive, to be encouraged and to be blessed by time together with God.

We are deeply thankful for all that God has been doing across our diocese over many years, and for the faithful commitment of so many to enable the ministry of their local church in each parish. We also give thanks for parishes who have been able to sustain parish giving, especially for those contexts which have been sacrificial in their giving. As with the wider Church of England, we continue to be mindful and attentive to the growing gap between **Parish Share received and the cost of ministry in the diocese**.

Whilst much has changed in our lives and world in the past few years, now is not the time to lose heart. In such times, we are called to be even more prayerful and courageous in making Christ known. This is why we are also reviewing our priorities and refreshing our plans with an opportunity to build on what we have been learning over the last 6 years. As part of this process of discernment, we have invited every local church to reflect on their experience and learning to date, and also share their vision and priorities for Growing Disciples. **A refreshed Diocesan Vision** will be shared at Pentecost 2023 so that together we can continue to align vision, strategy and resources, and respond effectively to the shifting missional landscape, as we look towards the kind of diocese God is asking us to be in 2030 and beyond.

With every blessing



The Rt Revd Paul Williams
Bishop of Southwell & Nottingham

TRUSTEES' REPORT
For the year ended 31 December 2022

The Trustees, who are also Directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in 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.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS
The principal object of The Southwell & Nottingham Diocesan Board of Finance ("the Board") is to promote, assist and advance the work of the Church of England in the Diocese of Southwell & Nottingham by acting as the financial executive of the Southwell and Nottingham Diocesan Synod.

The Board has the following statutory responsibilities: -

i. the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976;

ii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
iii. the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991;
iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents, Archdeacons and Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

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

PUBLIC BENEFIT

The Trustees are 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 Trustees believe that, by promoting the work of the Church of England in the Diocese ,of Southwell & Nottingham, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

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

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Board for the purposes of Company Law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)**.**

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

In preparing these financial statements the Trustees are required to:

Select suitable accounting policies and apply them consistently

- Observe methods and principles in the Charities SORP 2019 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far aware the trustees are aware:

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

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

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out in the section on Structure and Governance. Trustees are given induction at the outset of the triennium and at other times as needs are identified. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act.

VOLUNTEERS

The Board 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 the church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly in times of crisis. Within this context, the Board greatly values the considerable time given by all the committee members across the diocese in pursuit of the mission of the Board.

MISSION STATEMENT

We have a strategic vision of Growing Disciples, reaching wider, connecting younger and nurturing deeper roots of faith.

A Task and Finish Group has been formed to review progress towards the strategic vision and refresh it for the period 2023-30. The Board aims to launch the refreshed vision at Pentecost 2023.

Strategic Report:

STRATEGIC AIMS

The Board resources mission and ministry through 250 parishes and other networks.

The annual budget has been set against this background, designed to provide adequate resources to fund the present, as well as to shape the future, in a way that is fit for the missional task. We continue to prioritise the appropriate provision of stipendiary parish clergy and licensed lay workers across the diocese.

The Board's strategy for achieving its objectives is to adopt a methodology of limiting central sources of expenditure in favour of both releasing funds for mission and minimising the increase in Parish Share. The Board continues to maintain the sound financial structure needed to enable it to continue supporting the clergy and lay workers through the payment of stipends, managing parsonages and other ministerial housing. It provides resources in support of the ministry of both clergy and lay people in parishes across the diocese.

OBJECTIVES FOR YEAR

The objective of the Board is to provide financial resources for the achievement of the priorities of the Bishop and Diocesan Synod.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

2022 started with the implementation of the Strategic Development Funding bid 4 (SDF4) entitled Growing Younger and More Diverse, following approval in Autumn 2021. This programme seeks to create a step change and reverse the downward trend in church attendance, especially amongst younger generations. It includes establishing 5 youth hubs, each of which would receive a 5-year funded Youth Team Leader post and 10

flagship churches (focused on children & families ministries), 5 new, each of which would receive a 5-year funded Children & Families Team Leader and 5 existing, each of which would receive £50k to support staffing/associated project costs. In addition, up to 25 other churches, where there is significant potential for growth among children & families and youth, would receive a smaller grant to support staffing/associated project costs. By the end of 2022 all 5 Youth Team Leader posts and 4/5 of the Children & Families Team Leader posts had been appointed in addition to 3/5 of the existing flagship churches have appointed workers. A further 4 children & families/youth workers have been recruited to support some of the other 25 churches. In addition to this local investment the Diocese has employed a Children & Youth Work Trainer & Enabler to journey alongside churches are they seek to create this step change with children & families and youth. This journeying alongside includes a pilot of 'INSPIRE' a programme of support to SDF4 churches for employed worker and team of volunteers. Over 3 weekends throughout the year with inspirational speakers and practical support INSPIRE is completed by Learning Communities for the Lead Children & Families/Youth worker. Although still in the early stages of programme implementation there are some encouraging signs of growth amongst children & families and youth with year 1 outcomes on track.

2022 also saw the start of the Diocesan Vision and Strategy Refresh, a discernment process to review and refresh the current 2016-2023 vision and provide clarity and focus for 2023-30. 2022 concluded with a Diocesan wide engagement process, the Parish Refresh, which saw over 100 parishes/benefices submit responses highlighting progress and learning and opportunity and needs to help inform the discernment process.

Delivery of the other objectives under the previous SDF bids also continues including the expansion of the Younger Leadership College, part of SDF1, with the Intern scheme now including a second year. The 2022 intake saw a total of 21 interns, including 4 second year interns and 7 Associates. This was across 11 churches including 5 churches new to the programme. SDF2 saw continued progress at St Mary Magdalene's with St Leonard's Newark including Alpha, recruitment of a Worship & Youth Pastor and intern and a change request which led to an additional £100k SDF investment for re-ordering. SDF3 saw continued progress at St John with St Mary's Mansfield, Woven and successful recruitment of a leader at St Swithun's Retford in addition to an ops role and project re-set which led to additional SDF funding of £50,000 being awarded.

The focus on Caring for Creation continues, and we are grateful to new our Diocesan Environment Officer, Robert Cleave, for taking on this role as a volunteer. Robert is working with parishes and church schools to develop a strategy for our church buildings across the Diocese as we work towards the national Church of England target of being net zero carbon by 2030. The diocese achieved a Bronze Eco Diocese Award, and by the end of 2022 91 churches were registered as eco churches.

The property team supported 7 members of the clergy with their retirement plans and assisted with moving 13 clergy families in housing in the Diocese. During 2022, the Board undertook and EPC review of all parsonages in its portfolio. This had two benefits, to assist the Board in its environmental objectives, and to support the Board in increasing the energy efficiency of clergy housing in the Diocese.

The Diocesan Education Team have continued to provide their blend of professional, pastoral, and spiritual support to church school leaders, and have also implemented the new DBE Measure, developing a Scheme and Terms of Reference. During the year, they have run a wide range of training and conferences and have developed an active partnership with our five church Multi Academy Trusts (MATs).

The Board, through the Partnership and Mission team, have continued to support and equip local churches in their social justice and outreach work. We support Transforming Notts Together (TNT) with both a financial grant, and provision of Diocesan staff to support their work. TNT now supports 49 Places of Welcome, 14 Grief Cafes, 244 members of Christian Action Networks from 150 churches and Christian organisations across the

city and county. The Board also supports Refugee Roots who has worked with and supported over 300 refugees and asylum seekers in the past year, offering befriending, art classes, signposting, women's support, and English conversation classes. The diocesan Supporting Ukrainian Refugees initiative has enabled a number of Ukrainians to be matched with and supported by hosts from a several of our churches. Our support of Nottingham Citizens has also continued. The Board has also supported the appointment of 11 new chaplains appointed including to the University of Nottingham, the Defence Rehabilitation Centre, various prisons, hospitals, and air cadets.

The Discipleship and Ministry team has continued to be active in training and developing lay and ordained ministers across the Diocese using both online and in-person provision where available and will continue this hybrid approach going forward. We have continued to build on the material hosted on our digital learning Hub: we recently added a Diversity & Belonging module (the first of its type across the Church of England) and 113 people have enrolled on the self-directed course. Despite the pandemic restrictions, we have been able to recruit to lay ministries and increase the number of interns on our year's scheme. We have had 40 people accessing our exploring ordained ministry online course which we hope will boost vocations to ordained ministry in the coming years. We have run wider training to clergy on Generosity and the theme for our Diocesan Conference for those involved in church leadership was Living Hope: Facing Reality, Embracing the Future with our speaker, Bishop Graham Tomlin to help equip us as we came out of the pandemic.

FUTURE PLANS

In 2023 the Diocesan Vision & Strategy Refresh will be launched.
The focus on generous giving will continue, with the rollout of Free Digital Giving devices, supported by the National Church, together with the recruitment of as Digital Giving Advisor to assist all parishes in ensuring their online giving options are all fit for purpose.

The focus on our response to Caring for Creation will continue, aiming to cut our carbon footprint and promote eco church and to encourage further our understanding of caring for creation as central to whole life discipleship. The Diocesan Advisory Committee (DAC) will develop a strategy for our church buildings across the Diocese and aim to improve our church building carbon footprint and increase awareness and use of environmental products and services. We aspire to achieve Eco- Diocese Silver Award but this is dependent upon the number of individual churches registered under this programme.

In the coming year, the work of the Partnership and Mission team will be fully integrated into the Discipleship and Ministry Team. We will be reviewing our longstanding partnerships with TNT, Citizens and Refugee Roots as our current partnership agreements come to an end. We will facilitate ongoing strategic engagement with local authorities, charities and churches responding to the needs of Refugees, Asylum Seekers, victims of modern slavery and hate crime. There will also be further developments in chaplaincy provision, and we aim to fill our chaplaincy vacancies in healthcare, a prison and Emergency services. We will also explore new models with community and parish-based chaplaincies with local sports clubs, medical centres, and FE colleges.

The Education team will develop greater alignment between churches and church schools. The Board will also try and address the recruitment crisis in foundation church school governance, along with a need to develop ex-officio governance, and strengthen our recognition of young people as leaders of today not just tomorrow. The team also aim to develop diversity in governance and church school leadership.

KEY PERFORMANCE INDICATORS

The Board regards its key performance indicators as follows:

	2022	2021
Percentage of parish share received	**84.4%**	**90.7%**
Average rate of return on investments	**2.59%**	**2.51%**

The apparent reduction in Parish Share performance was due to the Share requested from deaneries in 2021 being reduced by £382,000 through the Parish Share Support Fund. This Fund was established to enable deaneries to provide relief for the adverse impact of Covid 19 on rental income from parish facilities and trading operations. The financial year has been one of mixed fortunes for the investment market, with substantial unrecognised losses on equity investments in the last quarter of 2022. The Board also took the decision to dispose of its investment in Wind FX Limited, which generated a profit after the loan repayment of £969,000.

FINANCIAL PERFORMANCE

The main income to the Board is from parishes giving Parish Share, which has increased this year. The Trustees are immensely grateful to all the parishes who continue to contribute to parish share, and supported Ministry in the Diocese. We cannot achieve this without their support.

INCOME	% of Total		2022 £000	2021 £000
Parish Share	**47.1**		**5,534**	**5,384**
Archbishops' Council	**19.7**		**2,315**	**2,281**
Allchurches Trust	**1.2**		**147**	**143**
Fees	**2.69**		**317**	**301**
Investment income	**9.24**		**1,087**	**1,054**

The Trustees acknowledge with thanks the annual distribution from Allchurches Trust. The other grants received from Archbishops' Council during 2022 are £661,000 Strategic Development Fund monies, which is matched funded by the Board and £1,262,948 Lowest Income Communities funding to support mission in our poorest parishes. We also received Strategic Ministry funding for additional curates of £187,065.

The Board managed a net gain before investment gains and losses of £1,135,000 (2021: gain £232,000), this was largely due to the continued sale of surplus clergy properties to support the Board's position.

The capital values of investments have had a worse year than last, and the year-end position of £45,459,000 is only an overall decrease of £20,000 despite the Board investing another £1.5m into the financial investment portfolio.

The capital values of agricultural land has remained the same. The unrealised gain on investments at the year-end was £890,427 The Board received £951,525 during the year relating to the sale of glebe assets.

REVIEW OF THE BALANCE SHEET

The Trustees consider that the balance sheet, together with details in note 22, show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £86,444,000 (2021: £84,238,000) it must be remembered that included in this total are a considerable number of properties, mostly in use for the ministry and mission of the Board, whose value amounted to £32.5million (2021: £34.1 million). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the Board.

Restricted and endowment funds

As set out in note 21 the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2022 restricted funds totalled £8.4m (2021: £9.8m) and endowment funds totalled £62.9m (2021: £60.5m). Net outgoing resources in the education restricted fund, before investment gains, amounted to £167,000 (2021:£62,000) and resources were mainly used to finance the salaries of those Education Department staff with responsibility for church schools and academies.

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer required. A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2022 total designated reserves were £9.2m (2021: £9.9m). The balance of the £1.4m set aside in a designated fund to finance the funding shortfall on the closed lay staff defined benefit pension scheme has been released in the year due to the actuarial valuation.

Free reserves

The Board of Finance has considerable responsibilities including the remuneration of about 120 stipendiary clergy, the employment of over 60 full or part time staff and the upkeep of nearly 190 houses. Most of the Board's income is voluntary with half coming from Parish Share and the balance made up of grant income from Archbishops' Council and income investments and other sources. In light of this and the flow of income, the Trustees have determined that it is prudent to hold free reserves at least equivalent to general fund expenditure over two months i.e. £1.5m.

At 31 December 2022, the Board of Finance's free reserves were £2.0 million (2021: £2.9 million). During the year, the Board has changed the basis of its calculation of its free reserves to align more closely with the SORP. Using the previous basis of calculation, free reserves at 31 December 2021 were previously disclosed as £4.3 million. The trustees consider that with the continued uncertainty around the economic situation together with the changes in the way that Diocese are resourced from Church Commissioners, and the continuing pressure on parish share, the increased holding of free reserves is prudent.

Subsidiaries

During 2015, the Board set up two subsidiary companies. SNDBF Solar Limited is a wholly owned subsidiary that manages the £226,000 invested in the installation of solar panels on 50 benefice houses. Wind FX Limited is 60% owned by the Board and operates a 500Kw wind turbine. The investments into these companies, by way of loan capital, totalled £1,090,000. The Board sold the entire share capital of Wind FX on 22 December 2022, and recognised a profit on sale of £969,000.

Investment policy and performance
The Board is empowered by its Memorandum of Association to invest monies not immediately required for its purposes. In addition, the Board acts as trustee of a number of trust funds, and these must be invested in accordance with the related trusts. The Board's policy is to review regularly the assets of each fund. Notes 22 and 23 provides details of the assets of each fund, together with the related purposes, and note 16 summarises the movements in investments during the year.

The implementation strategy for the diocesan assets is managed by a subgroup of Finance committee on behalf of Bishop's Council. The strategy is to grow the value of the diocesan assets and their annual income with a due regard to the level of risk associated with the ownership of particular assets. The Board appoints managers to advise and manage investments who are instructed to apply the ethical investment policy of the Church of England. Investment managers are tasked with a return of CPI +4%.

The Diocese has historically been an owner of agricultural land, currently 3,563 acres including 3 farms. The growth in value of agricultural land since 2006, has resulted in nearly 50% of the total value of assets being in land. The current policy is to reduce the amount of land over time when the opportunity arises to sell freehold land; the proceeds being invested in a wide range of financial assets which are more liquid and of a higher annual income return than land. A small investment is also held in a specialist commercial property fund managed for charity clients. Dunham House, a residential apartment block in Southwell, is managed to produce a rental return.

Funds which may be needed for working capital in the short-term are held as deposits with the Central Board of Finance of the Church of England and the Board's bankers, Lloyds Bank plc.

FUNDS HELD ON BEHALF OF OTHERS
As Custodian Trustee: The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of a separate bank account and accounting system. Further details of financial trust assets (see note 31) are available from the Board on request.

On behalf of Schools: The Board of Education (as incorporated within the Board) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also Government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out.

The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in creditors as at 31 December 2022 is £11,320 (2021: £51,203). The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £235,567 in 2022 and £444,635 in 2021.

GRANT MAKING 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 of Finance to support the furtherance of the Board of Finance's objects.

Mission Development Funding from Archbishops' Council has now ceased, so the designated fund will be used to support the existing projects.

Southwell and Nottingham is one of 41 dioceses in the Church of England covering the whole of Nottinghamshire and a small section of South Yorkshire and North Leicestershire. It is administered through the Board, a charitable trust company limited by guarantee. The Diocese is arranged as 2 archdeaconries, Newark covering the north part with 4 deaneries and Nottingham the south with 5 deaneries. In total there are some 250 parishes.

Each Diocese is a separate entity led by the Bishop and is governed by the Canons of the Church of England and the Acts and Measures of General Synod as well as state legislation that relates to companies and charities. In Southwell and Nottingham, the Diocesan Bishop is assisted by the Suffragan Bishop of Sherwood.

At national level the Diocese relates to the Archbishops' Council, the Church Commissioners and the Church of England Pensions Board. Further information can be found at www.church-of-england.org. The financial transactions of these bodies do not form part of these financial statements.

Each diocese is divided into benefices which are made up of parishes. The priest of a benefice is an office holder who shares the cure of souls with the Bishop. Matters relating to finance and parish owned property in a parish, are the responsibility of the Parochial Church Council, each of which is an individual charity separate from the Diocese. Benefices are grouped together in nine Deaneries which are units of mission, conduit of communication and whose members elect the members of General and Diocesan Synod.

Southwell Minister is the cathedral church of the diocese and is itself a separate legal entity. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Southwell Minster, Church Street, Southwell, Nottinghamshire, NG25 0HD.

The Board of Finance and Diocesan Synod: Within the Diocese there are two major bodies - the Diocesan Synod and the Board of Finance: the **membership** of both is coterminous**.**

Board of Finance: The company, Southwell & Nottingham Diocesan Board of Finance, was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 5th June 1891 as a charitable trust company limited by membership guarantee (No. 34165) and its governing documents are the Memorandum and Articles of Association. The Board of Finance is registered with the Charity Commission (No. 249359).

The company, originally called the Southwell Diocesan Finance Association, changed its name to the Southwell Diocesan Board of Finance on 18 January 1932. On 28 February 2006, the company changed its name to the Southwell & Nottingham Diocesan Board of Finance.

As a member of the Board, each member of Synod has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

Diocesan Synod: Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, plus up to 20 co-options

The Diocesan Synod usually meets twice a year.

Its role is to:

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

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council.

The Bishop's Council (and Standing Committee of the Diocesan Synod): The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of 8 ex officio members (the Diocesan and Suffragan Bishops; 2 Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; and the Chair of the Finance Committee), 5 clergy elected by the House of Clergy from among their number (3 from the Archdeaconry of Nottingham and 2 from the Archdeaconry of Newark) and 10 lay persons elected by the members of the House of Laity representing deaneries (6 from the Archdeaconry of Nottingham and 4 from the Archdeaconry of Newark) and up to 4 co-opted members of Diocesan Synod. Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- to plan the business of the Synod,
- to initiate proposals for action by the Synod and to advise it on matters on policy;
- to advise the Diocesan Bishop, on any matters which he may refer to the Council;
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- to appoint members of committees or nominate individuals for election to committees; and
- to carry out such functions as the Synod may delegate to

Decision Making Structure: Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Southwell and Nottingham, are set by the Diocesan Synod and the Board.

The company meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Board. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold up to eight meetings during the year to formulate and coordinate policies on mission, ministry and finance. The Trustees rely upon the Diocesan Chief Executive and their team of six departmental directors for the delivery of the day to day activities of the company. The Diocesan Chief Executive is given specific and general delegated authority to deliver the business of the Board in accordance with the policies framed by the Trustees.

Council are also the members of 2 statutory committees:

- **Parsonages Committee**, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each

  benefice, team vicarages and houses owned by the Board of Finance.
- **Diocesan Mission and Pastoral Committee**, which is responsible for the task of recommending pastoral reorganisation to the Bishop.

Other statutory committees include:

- **Diocesan Advisory Committee**, which advises on matters affecting church buildings and places of worship including the granting of faculties, the use and care of places of worship and their contents and the care of churchyards.
- **Southwell & Nottingham Diocesan Board of Patronage**, which is constituted under the provisions of the Patronage (Benefices) Measure 1986.

In addition to the statutory committees Bishop's Council has set up the **Finance Committee**, which has written terms of reference, to advise it on all financial matters. The Finance Committee meets regularly, approximately five times each year and works closely with the Diocesan Chief Executive and Director of Finance. The Finance Committee has decided that in order to give considered advice to the Bishop's Council and to understand the detail of diocesan finance, to set up the Audit Committee which advises the Finance Committee and thereby Bishop's Council, in the discharge of the Trustees' responsibilities for accounting policy, internal control, financial reporting and risk management.

Remuneration of Key Personnel: Emoluments of higher-paid employees are determined by a remuneration group consisting of the Chair of the House of Clergy, the Chair of the House of Laity, and
the Chair of the Finance Committee. A job evaluation scheme is used to determine the salary grades of employed posts. Office holders are paid either the Diocesan stipend or that advised by the Archbishops' Council acting as the Central Stipends Authority.
management.

GOING CONCERN
The financial statements have been prepared on a going concern basis as the trustees believe that, despite the uncertainty of the current economic climate, the Board has sufficient monetary reserves to meet all their obligations as they fall due. The trustees consider that given the level of investments and reserves held the going concern basis is appropriate.

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

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

Risk Type	Risk	Mitigating activity
Reputational	Safeguarding & Inclusion of children and vulnerable adults: current safeguarding incident by an individual associated with the Diocese or any church in our Diocese and adverse publicity relating to safeguarding failures in the past or present.	• Safeguarding advice is provided by a dedicated Safeguarding team • Policies are aligned with those of the national church • Training is compulsory for all relevant staff and office holders
Financial	Parish Share collection is considerably less than 100%.	• Collection statistics are produced and circulated on a monthly basis to Deanery & Diocesan personnel • Deanery finance personnel are expressly tasked with identifying, reporting on and supporting those parishes where there is considered to be a significant risk of under-collection
Reputational and Financial	IT: System failure.	• The disaster recovery plan is reviewed on an annual basis • The majority of systems are held in the cloud, with backups held remotely and in house.

DISCLOSURE OF INFORMATION TO THE AUDITOR
We, the Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant information and to establish that the company's auditor is aware of that information.

In approving the Trustees' Report, we also approve the Directors and Strategic Report included therein, in our capacity as company directors.

APPOINTMENT OF AUDITORS
The re-appointment of BHP LLP as auditor to the Board will be proposed at the Annual General Meeting.

BY ORDER OF THE TRUSTEES

The Right Revd Paul Williams
Chairman
Date:

Opinion

We have audited the financial statements of Southwell and Nottingham Diocesan Board of Finance (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Company and Consolidated Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2022, 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 trustees' report (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:

- 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 trustees

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

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with Trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety, data protection laws and specific legislation regarding the purpose and use of restricted funds;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. 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.

Jane Marshall (Senior Statutory Auditor)
for and on behalf of
BHP LLP, Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date:

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 As restated £'000
Income and endowments from						
Donations	2					
Deanery share		5,534	-	-	5,534	5,384
Archbishops' Council		1,654	661	-	2,315	2,281
Other donations		153	-	-	153	146
Charitable activities	3	776	36	-	812	723
Other activities	4	554	-	-	554	491
Investments	5	777	310	-	1,087	1,054
Other	6	731	-	572	1,303	732
		10,179	1,007	572	11,758	10,811
Expenditure on						
Raising funds	7	401	54	-	455	409
Charitable activities	8	8,927	964	-	9,891	9,796
Clergy pension scheme movement	27	-	-	(93)	(93)	(7)
Church schools & Diocesan projects	9	-	139	-	139	164
Other	10	231	-	-	231	217
		9,559	1,157	(93)	10,623	10,579
Net income before investment gains		620	(150)	665	1,135	232
Other recognised gains/(losses)						
Gains/(losses) on investments		(754)	(1,106)	608	(1,252)	2,387
Gains/(losses) on disposal of subsidiary		969	-	-	969	-
Gains/(losses) from changes in financial assumptions on defined benefit pension scheme		1,357	-	-	1,357	499
		2,192	(1,256)	1,273	2,209	3,118
Transfers between funds	14	(1,091)	-	1,091	-	-
Net income		1,101	(1,256)	2,364	2,209	3,118
Non-controlling interest		(3)	-	-	(3)	9
Net movement in funds		1,098	(1,256)	2,364	2,206	3,127
Total funds brought forward (as restated)		14,002	9,697	60,539	84,238	81,111
Total funds carried forward (as restated)	21	15,100	8,441	62,903	86,444	84,238

On 22 December 2022 the group disposed of the subsidiary Wind FX Limited, income of £264,000 and expenditure of £257,000 was attributable to this disposal, all other activities are continuing.

The notes on pages 34 to 64 form part of the financial statements.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2022

	Total 2022 £'000	Total 2021 £'000
Total income	11,186	10,811
Total expenditure	(10,716)	(10,576)
Operating surplus for the year	470	225
Net (loss)/gains on investments	(891)	1,366
Net (expenses)/income for the year	(421)	1,591
Non-controlling interest	(3)	9
Other comprehensive income:		
Net assets transferred from/(to) endowments	(1,091)	(219)
(Losses)/Gains from changes in financial assumptions on defined benefit pension scheme	1,357	499
Total comprehensive income	(158)	1,880

On 22 December 2022 the group disposed of the subsidiary Wind FX Limited, income of £264,000 and expenditure of £257,000 was attributable to this disposal, all other activities are continuing.

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

BALANCE SHEET - COMPANY ONLY
At 31 December 2022

Company Number – 00034165

	Note	2022 £'000	2022 £'000	2021 as restated £'000	2021 as restated £'000
FIXED ASSETS					
Tangible assets	15		36,311		38,047
Investments	16		45,459		45,479
			81,770		83,526
CURRENT ASSETS					
Debtors	18	2,763		2,070	
Cash at bank and in hand		4,188		1,759	
		6,951		3,829	
CREDITORS: amounts falling due within one year	19	(2,228)		(1,565)	
NET CURRENT ASSETS			4,723		2,264
TOTAL ASSETS LESS CURRENT LIABILITIES			86,493		85,790
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities	27	-		(1,387)	
Other creditors	20	(108)		(143)	
			(108)		(1,530)
NET ASSETS			86,385		84,260
FUNDS					
Endowment funds		62,844		60,760	
Deficit on clergy pension scheme		-		(221)	
			62,844		60,539
Restricted income funds			8,441		9,697
Unrestricted income funds:					
General fund		5,874		5,418	
Designated funds		9,226		9,992	
Defined benefit pension scheme liability		-		(1,386)	
			15,100		14,024
TOTAL FUNDS	21		86,385		84,260

The notes on pages 34 to 64 form part of the financial statements

BALANCE SHEET- COMPANY ONLY (Continued)
At 31 December 2022

The Company Balance Sheet forms part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on and signed on behalf of the Board by:

The Bishop of Southwell & Nottingham
Director

Canon M Arlington
Director

CONSOLIDATED BALANCE SHEET
At 31 December 2022

Company Number – 00034165

	Note	2022 £'000	2022 £'000	2021 As restated £'000	2021 As restated £'000
FIXED ASSETS					
Tangible assets	15		36,458		39,330
Investments	16		45,459		45,479
			81,917		84,809
CURRENT ASSETS					
Debtors	18	2,551		1,147	
Cash at bank and in hand		4,188		1,898	
		6,739		3,045	
CREDITORS: amounts falling due within one year	19	(2,104)		(1,555)	
NET CURRENT ASSETS/(LIABILITIES)			4,635		1,490
TOTAL ASSETS LESS CURRENT LIABILITIES			86,552		86,299
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities	27	-		(1,387)	
Other creditors	20	(108)		(719)	
			(108)		(2,106)
NET ASSETS			86,444		84,193
FUNDS					
Endowment funds		62,903		60,760	
Deficit on clergy pension scheme		-		(221)	
			62,903		60,539
Restricted income funds			8,441		9,697
Unrestricted income funds:					
General fund		5,874		5,396	
Designated funds		9,226		9,992	
Defined benefit pension scheme liability		-		(1,386)	
			15,100		14,002
CHARITABLE GROUP FUNDS	21		86,444		84,238
Minority interests			-		(45)
NET ASSETS			86,444		84,193

The notes on pages 34 to 64 form part of the financial statements.

CONSOLIDATED BALANCE SHEET (continued)
At 31 December 2022

The Consolidated Balance Sheet forms part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on and signed on behalf of the Board by:

The Bishop of Southwell & Nottingham
Director

Canon M Arlington
Director

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2022

	Cashflow note	2022		2021 as restated	
		£000	£000	£000	£000
Net cash outflow from operating activities	1		(134)		(1,630)
Cash flows from investing activities					
Dividends, interest and rent from investments		1,087		1,054	
Proceeds from the sale of:					
Tangible fixed assets		2,974		1,108	
Investment assets		8,753		3,967	
Purchase of:					
Tangible fixed assets		(271)		(488)	
Fixed asset investments		(9,984)		(4,043)	
Acquisitions and disposals:					
Proceeds on disposal of subsidiary	2	120		-	
Cash transferred on disposal of subsidiary	2	(246)		-	
Net cash provided by investing activities			2,433		1,598
Cash flows from financing activities					
Interest paid		(9)		(9)	
Net cash provided by financing activities			(9)		(9)
Change in cash and cash equivalents in the reporting period			2,290		(41)
Cash and cash equivalents at 1 January			1,898		1,939
Cash and cash equivalents at 31 December			4,188		1,898

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2022

	2022 £'000	2021 as restated £'000
1. Reconciliation of net movements in funds to net cash flow from operating activities:		
Net income/expenditure	2,209	3,118
Adjustments for:		
Depreciation charges	107	100
Net profit on disposal of assets	(1,006)	(313)
Dividends, interest and rent from investments	(1,087)	(1,054)
Loss/(gain) on investments	1,252	(2,387)
Gain on disposal of subsidiary	(969)	-
FRS 102 pension scheme adjustment	(1,357)	(499)
Defined benefit pension scheme finance cost	24	23
Defined benefit pension scheme cost less contributions payable	(109)	(109)
Clergy pension scheme adjustment	(221)	(226)
Interest paid	9	9
Decrease/(increase) in debtors	200	(157)
Increase/(decrease) in creditors	814	(135)
Net cash provided used in operating activities	(134)	(1,630)

2. Sale of subsidiary undertaking **Net assets disposed**	**£'000**
Tangible fixed assets	1,068
Debtors	102
Cash at bank and in hand	246
Creditors	(1,441)
Deferred taxation	(81)
	(106)
Attributable to minority interests	42
Gain on disposal	969
Repayment of shareholder loan	865
	1,770
Satisfied by	
Deferred consideration	1,650
Cash	120
	1,770

The movement in cash and cash equivalents is the same as the movement in net debt therefore no separate movement in net debt table has been included in these financial statements.

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019 and the Companies Act 2006 and Generally Accepted Accounting Practice. The financial statements consolidate the results of the Company and its two subsidiaries, Wind FX Limited and SNDBF Solar Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Board has not been presented because the Board has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Board and are rounded to the nearest £'000.

The Board constitutes a public benefit entity as defined by FRS 102. The principle 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.

Parish share, and parochial fees are included on a receipts basis except for contributions received shortly after the period end that are explicitly relating to the period under review.

The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

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. In respect of housing maintenance, the policy is only to provide for orders started before the year end. The cost of office premises and other service costs have been apportioned to departments to reflect the facilities used, the basis of apportionment being floor space or headcount.

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 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.
accrued as expenditure.

1. ACCOUNTING POLICIES (continued)

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.

Pension contributions.
The Board's staff are members of the Board's defined contribution pension scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 27). The pension costs charged as resources expended represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Lay staff who are members of the stakeholder pension scheme, or have their contribution paid into their own personal pension plan are accounted for in the month in which they are deducted. Deficit funding for the pension schemes to which Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year. The Board also operates a defined benefit scheme for the Board's employees whose employment began prior to 1 April 1993. The contribution rates for this scheme are set by the actuary using the actuarial valuation every three years.

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. The primary purpose of residential property is to provide accommodation for ministers in the Diocese. The freehold properties are held at cost or deemed cost by reference to the midpoint of the applicable council tax band as determined in 1996.

Properties subject to equity (value linked) loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated at cost or deemed cost, where historic cost values prior to 1996 are not readily available. Equity loans are made to parishes and clergy spouses to enable them to purchase property on a shared equity basis. In the event of a sale of any of the houses purchased with value-linked loans, the whole, or a proportionate part, of the net sale proceeds would go to the Church Commissioners. Total value-linked loans advanced at 31 December 2022 amounted to £99,000 (2021-£134,000).

1. ACCOUNTING POLICIES (continued)

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 Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historic or deemed cost.

Land and buildings purchased during the year totalled £0.27m (2021- £0.48m). The Board's policy continues to be to replace unsuitable properties; to accommodate the changing geographical deployment of clergy within the Diocese; and to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

No value linked loan houses were sold in the current or preceding year.

d) Other tangible fixed assets

All capital expenditure over £2,000 is capitalised and depreciated as follows. 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:

Motor vehicles	25%	Straight line
Garden equipment	20%	Straight line
Computer hardware and software	33.3%	Straight line
Furniture & fittings	10%	Straight line
Other office equipment	20%	Straight line
Wind turbine	4%	Straight line
Solar panels	5%	Straight line

e) other accounting policies

i) **Fixed asset investments** are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. Glebe agricultural land is valued at 31 December each year by Jas Martin & Co, Chartered Surveyors. Dunham House is professionally valued by Mr R Davis of Geo Hallam and Sons. For commercial property a desk top valuation is provided by the Diocesan surveyor. Some properties included in the Southwell & Nottingham Board of Education restricted fund are not valued and are shown at cost as there is no readily available market value. The financial investments are managed in accordance with the policy statements (including the statement on pooled funds which will be appropriate for funds managed on a multi asset basis) and restricted stock lists provided by the Ethical Investment Advisory Group of the Church of England. Active ownership and engagement via the Boards investment managers can drive positive change in corporate behaviour and the Board believes that this is part of being a responsible investor. The Board will take account of environmental, social and governance issues for both ethical and financial reasons.

ii) **Leases**. Operating lease rentals are charged to the Statement of Financial Activities when they are paid. The lease payments are charged straight line over the period of the lease.

f) Fund balances

Fund Balances are split between unrestricted (general and designated), restricted and endowment funds. **Unrestricted funds** are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:

General funds which the Board intends to use for the general purposes of the Board.
Designated funds are those funds set aside out of unrestricted funds by the Board for a specific purpose over whose use and purpose the Board has discretion. The accumulated capital fund is the amount transferred from the general fund, gains less loss on investments and the directors' valuation of freehold property transferred at no cost. A designated fund has also been created for deficit funding in respect of the closed defined benefit pension scheme.

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

Endowment funds are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the Board (Stipends Fund Capital, Benefice Houses and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

g) Going concern

For the year ended 31 December 2022 the charitable company made an operating surplus of £1,135,000 and after taking account of gains and losses made an overall surplus of £2.2m. Free reserves at 31 December 2022 are £2.0m. The Board have considered the ongoing impact of COVID-19 on the charitable company's income and operating cost base. They recognise that we are still in a period of uncertainty whilst the world settles into new rhythms of working.

The Board have prepared forecasts of income and expenditure for the period to 31 December 2024 that show deficit budgets. Due to the level of free reserves and cash resources held they are confident that they have in place plans to deal with the deficit budgets and any further financial losses that may arise.

The Board therefore continue to adopt the going concern basis of preparation for these financial statements.

h) Subsidiaries

The Board's trading subsidiary is consolidated using the equity method. SNDBF Solar Limited has a 31 December year end.

Wind FX was sold during the year.

i) Debtors & 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.

j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

k) Critical accounting estimates and assumptions

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present values of Church of England Funded Pensions Scheme and the Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme both depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying value of the pension liability**.**

An area of key estimation uncertainty, although not a significant risk due to annual professional valuations being undertaken, is the valuation of investment land and properties. The valuations are subject to judgements of an expert including, but not limited to, the state of repair of the properties, local knowledge, future income yields and market characteristics.

l) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The charity also operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

2. DONATIONS

Deanery share

The majority of donations are collected from the parishes of the diocese through the parish share system.

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2022	Total funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Newark Archdeaconry	2,828	-	-	-	2,828	2,530
Nottingham Archdeaconry	3,723	-	-	-	3,723	3,404
Voluntary contribution	76	-	-	-	76	58
Shortfall	(1,101)	-	-	-	(1,101)	(615)
	5,526	-	-	-	5,526	5,377
Receipts for previous years	8	-	-	-	8	7
Total Income	5,534	-	-	-	5,534	5,384

Current year deanery share receipts represent 84.4% of the total apportioned (2021 – 90.7%). It should be noted that the request was reduced by £382,000 in 2022, as a way of supporting parishes after the Covid 19 Lockdowns in 2021. The deanery share calculation was reviewed during 2017 and transition provisions applied to the Deaneries which have a large disparity with the way deanery share was previously calculated.

Archbishops' Council

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2022	Total funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Selective allocation	1,263	-	-	-	1,263	1,260
Pooling of ordinands candidates' costs	204	-	-	-	204	64
Sustainability Funding	-	-	-	-	-	300
Strategic Ministry Funding	187	-	-	-	187	136
Strategic Development Funding	-	-	661	-	661	521
	1,654	-	661	-	2,315	2,281

Other donations

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2022	Total funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Allchurches Trust Grant	147	-	-	-	147	143
Other Grants	6	-	-	-	6	3
	153	-	-	-	153	146

3. CHARITABLE ACTIVITIES

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
Statutory fees	317	-	-	-	317	301
Contributions to sector and other chaplaincy posts	88	-	-	-	88	74
Contributions to costs of lay staff posts	126	-	-	-	126	103
Church Commissioners'	39	-	-	-	39	39
Loan interest receivable	8	-	-	-	8	9
Other contributions and income	198	-	36	-	234	197
	776	-	36	-	812	723

4. OTHER ACTIVITIES

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
Housing income	554	-	-	-	554	491

5. INVESTMENT INCOME

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
Dividends receivable	221	-	234	-	455	367
Interest receivable	29	-	23	-	52	4
Rents and income from mineral rights receivable	527	-	53	-	580	683
	777	-	310	-	1,087	1,054

6. OTHER INCOME

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
Sale of fixed assets	435	-	-	572	1,007	452
Subsidiary income	296	-	-	-	296	263
Furlough income	-	-	-	-	-	17
	731	-	-	572	1,303	732

7. FUNDRAISING COSTS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2022	Total funds 2021
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Glebe agent's fee	149	-	-	-	149	146
Other land agent commission and expenditure	208	1	-	-	209	163
Investment management charges	44	53	-	-	97	100
	401	54	-	-	455	409

8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2022	Total funds 2021
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council						
Training for Ministry	212	-	-	-	212	212
National Church responsibilities	157	-	-	-	157	176
Retired clergy housing costs	80	-	-	-	80	78
	449	-	-	-	449	466
Resourcing Ministry and Mission						
People costs						
Stipends, salaries and national insurance	4,787	-	646	-	5,433	5,216
Pension contributions	1,200	-	-	-	1,200	1,312
Housing costs	1,195	-	-	-	1,195	1,122
Removal, resettlement and other expenses	212	-	-	-	212	168
	7,394	-	646	-	8,040	7,818
Support for parish ministry	1,084	-	318	-	1,402	1,512
	8,478	-	964	-	9,442	9,330
	8,927	-	964	-	9,891	9,796

9. EXPENDITURE ON CHURCH SCHOOLS & DIOCESAN PROJECTS

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2022	Total funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on Education						
Support for church schools	-	-	139	-	139	164
	-	-	139	-	139	164

10. OTHER EXPENDITURE

	Unrestricted funds General	Unrestricted funds Designated	Restricte Funds	Endowment Funds	Total funds 2022	Total funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Audit Fees- audit	18	-	-	-	18	18
Audit Fees- non-audit	4	-	-	-	4	4
Subsidiary expenses	209	-	-	-	209	195
	231	-	-	-	231	217

11. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly	Grant Funding of Activities	Support Costs	Total costs 2022	Total costs 2021
	£'000	£'000	£'000	£'000	£'000
Fundraising costs					
Charitable activities:	455	-	-	455	409
Contributions to Archbishop's Council	-	449	-	449	466
Clergy pension scheme movement	(93)	-	-	(93)	(7)
Resourcing ministry and mission	8,941	482	18	9,441	9,326
Church Schools and Diocesan projects	-	136	3	139	167
Governance costs	-	-	1	1	1
Other	231	-	-	231	217
	9.534	1,067	22	10,623	10,579

11. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS (continued)

Where costs cannot be directly attributed to particular headings, they have been allocated or apportioned to activities on a basis consistent with the use of the resources. Central support costs are apportioned on the basis of the estimated usage of resources at Jubilee House. Governance costs comprise audit fees, costs relating to the preparation of the statutory returns and the costs of hosting Diocesan Synod.

The apportionment in 2022 can be summarised as follows:

Resourcing ministry and mission 80.82%
Church Schools 15.08%
Diocesan Projects 1.97%
Governance 2.13%

12. ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institutions £'000	2022 Total £'000	2021 Total £'000
From unrestricted funds for National Church responsibilities:					
Contributions to Archbishop's Council	1	-	449	449	466
From unrestricted funds:					
Refugee Roots	1	-	20	20	21
Clergy	29	74	-	74	63
Ordinands in training	203	246	-	246	280
Transforming Notts Together	1	-	20	20	25
From restricted funds for various purposes within resourcing parish ministry:					
Growing Disciples/New Worshipping Community Grants	34	-	120	120	128
Perry Gift	5	2	-	2	1
Total	274	322	609	931	984

13. STAFF COSTS

	2022 £'000	2021 £'000
Employee costs during the year were as follows:		
Salaries and stipends	1,664	1,542
National insurance contributions	165	145
Pension costs		
Church of England Funded Pension scheme. (2022 – 8 employees, 2021 - 7 employees)	59	60
Defined Benefit scheme. (2022- 1 employee, 2021 - 1 employee)	52	52
Defined contribution schemes. (2022 – 53 employees, 2021 - 57 employees)	134	129
	2,074	1,928

The average number of persons employed by the group during the year:

	Number	Number
Administration and financial management	31	32
Property	4	4
Discipleship and Ministry, Stewardship	15	14
Education	11	8
Communications	1	3
	62	61

The average number of persons employed by the group during the year based on full-time equivalents:

	Number	Number
Administration, safeguarding and financial management	22.46	21.40
Property	3.50	3.40
Discipleship & Ministry, Stewardship	12.68	14.10
Education	6.39	6.06
Communications	1.00	0.63
	46.03	45.59

The number of people employed by the Board now include some posts that were previously funded by way of grant or contribution to a third party.

13. STAFF COSTS (continued)

	2022 Number	2021 Number
The numbers of staff whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows:		
£60,000 - £70,000	1	1
£70,001 - £80,000	1	1

Pension payments of £ 14,493 (2021: £14,280) were made for these employees.

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2022 they were:

Diocesan Chief Executive and Company Secretary	Mr M Cooper
Director of Discipleship & Ministry	Revd Canon Dr R Kellett
Director of Partnerships & Mission	Revd D McCoulough (resigned 31 March 2023)
Director of Education & Mission	Mr N Frith
Director of Communications	vacant
Director of Finance	Mrs R Bowes (resigned 24 February 2023)

Remuneration, including employers' NI and employers' pension contributions for these 5 (2021 : 6) employees amounted to £383,998 (2021: £379,444).

Directors' emoluments

No Director received any remuneration for services as Director. 8 Directors received travelling and out of pocket expenses, totalling £7,910 (2021 - 6 Directors- £4,632) in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Directors.

13. STAFF COSTS (continued)

The following table gives details of the stipendiary Directors, including those who were in receipt of a stipend and/or housing provided by the Board during the year:

	Stipend	Housing
The Right Revd P Williams	No	No
The Right Revd A Emerton	No	Yes
The Ven V Ramsey	Yes	Yes
The Ven P Williams	Yes	Yes
The Revd S Hustwayte	Yes	Yes
The Revd Canon S D Silvester	Yes	Yes
The Revd L Lima	Yes	Yes
The Revd P Shaw	Yes	Yes
The Revd Canon M Tanner	Yes	Yes
The Revd Z Burton	Yes	Yes

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

The Board paid an average of 117 (2021 –118) stipendiary clergy as officeholders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

		2022 £'000	2021 £'000
Stipends		3,112	3,179
National insurance contributions & Apprenticeship levy		283	273
Pension costs	- current year	910	963
	- deficit reduction	127	220
		4,432	4,635

The annual rate of stipend, funded by the Board, paid to Archdeacons in 2022 was in the range £36,100 - £38,000 (2021 range £36,100 – £38,000) and other clergy who were Trustees were paid in the range £25,770 - £27,519 (2021 range £25,265 – £26,979).

14. TRANSFERS BETWEEN FUNDS

A transfer from the general fund of £127,000 has been made to the Clergy pension fund within endowment funds for the costs incurred in the year.

A transfer from the general fund of £905,000 to stipends fund capital has been made for the profit on disposal of Wind FX Ltd, a subsidiary investment which was originally purchased from this fund.

A further transfer of £59,000 has been made to reflect the net assets of SNDBF solar Ltd, which is a further investment purchased from this fund.

15. TANGIBLE FIXED ASSETS - Company

	Freehold Houses (see below) £'000	Diocesan Office & caretakers' bungalow £'000	Office Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2022	34,191	3,809	515	-	38,515
Additions	254	-	17	-	271
Disposals	(1,967)	-	-	-	(1,967)
At 31 December 2022	32,478	3,809	532	-	36,819
Depreciation					
At 1 January 2022	-	27	441	-	468
Charge for the year	-	-	40	-	40
Disposals	-	-	-	-	-
At 31 December 2022	-	27	481	-	508
Net Book Value					
At 31 December 2022	32,478	3,782	51	-	36,311
At 31 December 2021	34,191	3,782	74	-	38,047

15. TANGIBLE FIXED ASSETS - company (continued)

	2022		2021	
	Cost or deemed cost £'000	Number of houses	Cost or deemed cost £'000	Number of houses
Endowment funds				
Benefice houses fund				
Parsonage houses	17,864	125	17,858	125
Glebe funds				
Housing of team vicars, curates & others	7,594	41	8,751	44
Retirement houses	-	-	40	1
Unrestricted (designated) funds				
Corporate property				
City Centre Resource Church	1,498	1	1,498	1
Housing of senior clergy, curates and others	5,382	19	5,904	22
Houses subject to value-linked loans				
Housing of curates and others	140	3	140	3
	32,478	189	34,191	196

Diocesan offices include the caretaker's bungalow situated in the grounds of Dunham House and amounts capitalised as part of the Jubilee House office build shown at cost. There is no reliable market value, but a valuation of both Jubilee House and the bungalow would be greater than historic cost. Dunham House is held in investment properties as it has been converted to 7 apartments for rental. A professional year end valuation has been obtained from Mr G Davis from the Board's property agent, whom is an independently qualified surveyor. Dunham House is valued on a freehold market value basis.

All of the freehold houses included above are freehold and are vested in the Board, except for benefice houses which are vested in the incumbent. The Board is not free to dispose or encumber these properties as it sees fit, as they are to be used for clergy housing. They are carried at cost or deemed cost and in the opinion of the Directors, the carrying value of land and buildings is less than the market value. The costs of revaluation are considered to outweigh the benefits to the reader of the accounts. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £140,000 (2021: £140,000). Of the total land and buildings at 31 December 2022, £14.3m are valued at cost (2021: £14.3m), with the rest at deemed cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

15. TANGIBLE FIXED ASSETS – Group

	Freehold Houses £'000	Diocesan Office & caretakers' bungalow £'000	Office Equipment £'000	Motor Vehicles £'000	Wind Turbine & solar panels £'000	Total £'000
Cost						
At 1 January 2022	34,191	3,809	515	-	1,690	40,205
Additions	254	-	17	-		271
Disposals	(1,967)	-	-	-	(1,464)	(3,431)
At 31 December 2022	32,478	3,809	532	-	226	37,045
Depreciation						
At 1 January 2022	-	27	441	-	407	875
Charge for the year	-	-	40	-	67	107
Disposals	-	-	-	-	(395)	(395)
At 31 December 2022	-	27	481	-	79	587
Net Book Value						
At 31 December 2022	32,478	3,782	51	-	147	36,458
Net Book Value						
At 31 December 2021	34,191	3,782	74	-	1,283	39,330

16. FIXED ASSET INVESTMENTS – COMPANY & GROUP

	At 1 January 2022	Additions at cost	Disposals	Unrealised gains/losses	At 31 December 2022
Listed investment securities	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Restricted funds	8,546	2,592	(2,623)	(437)	8,078
Endowment funds	6,357	1,187	(1,078)	(267)	6,199
Unrestricted funds	4,435	4,890	(4,597)	(1,015)	3,713
	19,338	8,669	(8,298)	(1,719)	17,990
Unlisted investment securities					
Restricted funds	86	-	-	(5)	81
Endowment funds	3,590	750	47	156	4,543
Unrestricted funds	963	-	-	(162)	801
	4,639	750	47	(11)	5,425
Cash held for investment purposes					
Restricted funds	30	-	-	(1)	29
Endowment funds	369	-	-	-	369
Unrestricted funds	1,392	565	(267)	-	1,690
	1,791	565	(267)	(1)	2,088
Investment properties					
Restricted funds	-	-	-		-
Endowment funds	18,134	-	(378)	663	18,419
Unrestricted funds	1,577	-	-	(40)	1,537
	19,711	-	(378)	623	19,956
Total	45,479	9,984	(8,896)	(1,108)	45,459

Due to their nature the historic cost of investment properties is not known. Included in the above are the following unrealised gains -Endowment funds £1,399,749 (2021 - £1,294,184) Restricted funds £201,300 (2021 - £1,637,915) and unrestricted funds £ 942,316 (2021 - £3,093,896).

17. SUBSIDIARIES

The Diocesan Board of Finance had two trading subsidiaries; Wind FX Limited which is incorporated in the United Kingdom (company number 09601836) and was 60% owned by the Board. Wind FX Limited was incorporated on 20 May 2015 and the Board acquired its shares on 4 December 2015. This company was sold on 22 December 2022, and is not owned at the year end.

SNDBF Solar Limited is incorporated in the United Kingdom (company number 09792284) and was incorporated on 23 September 2015, and the shares were acquired on the same date. Both companies operate in the renewable energy sector.

The summary financial performance of the subsidiary is:	SNDBF Solar Limited 2022 £'000
Turnover	32
Expenses	19
Net (Loss)/Profit	13
The assets and liabilities of the subsidiary is:	
Fixed assets	147
Current Assets	160
Current liabilities	(228)
Provisions	(20)
Long term liabilities	-
Net (liabilities)/assets	59
Represented by	
Share Capital	-
Reserves	59

Both subsidiary has taken advantage of exemption from audit under section 479A Companies Act 2006.

18. DEBTORS

	GROUP 2022	COMPANY 2022	GROUP 2021 as restated	COMPANY 2021
Due within one year	£'000	£'000	£'000	£'000
Current year Parish share	74	74	71	71
Loans to parishes	25	25	25	25
Rent debtors	121	121	124	124
Trade debtors	153	153	345	345
Other debtors	1,945	1,931	422	251
Amounts due from subsidiary	-	-	-	3
Prepayments	168	168	70	70
	2,486	2,472	1,057	889
Due after more than one year				
Loans to parishes	65	65	90	90
Amounts due from subsidiary	-	226	-	1,091
	65	291	90	1,181
Total debtors	2,551	2,763	1,147	2,070

19. CREDITORS: amounts falling due within one year

	GROUP 2022 £'000	COMPANY 2022 £'000	GROUP 2021 £'000	COMPANY 2021 £'000
Mission development fund grants	31	31	31	31
Other taxes and social security	-	-	-	-
Trade Creditors	94	94	45	45
Other creditors and accruals	1,979	1,957	1,259	1,148
Amounts owed to subsidiaries	-	146	-	121
Clergy pension scheme	-	-	220	220
Total creditors: amounts falling due within one year	2,104	2,228	1,555	1,565

20. CREDITORS: amounts falling due after more than one year

	GROUP 2022 £'000	COMPANY 2022 £'000	GROUP 2021 £'000	COMPANY 2021 £'000
Loan repayment instalments due after more than one year				
Church Commissioners value-linked loans	99	99	134	134
Sundry creditors				
Shareholder loans	-	-	576	-
Southwell & Nottingham Board of Education	1	1	1	1
Loan with the Central Board of Finance – interest free	8	8	8	8
	108	108	719	143
Pension scheme liabilities	-	-	1,387	1,387
Total creditors: amounts falling due after more than one year	108	108	2,106	1,530

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. Interest at the time of the advance is at the rate of 4% per annum (3% per annum on loans advanced on or before 31 December 1992) rising annually by the increase in the Retail Prices Index. As the date of disposal of the property is not known, the analysis of the date due cannot be calculated.

CREDITORS: amounts falling due after more than one year

	GROUP 2022 £'000	COMPANY 2022 £'000	GROUP 2021 £'000	COMPANY 2021 £'000
The maturity of the above loans may be analysed as follows:				
Between one and two years	9	9	32	9
Between two and five years	-	-	118	-
In five years or more	99	99	569	134
	108	108	719	143

21. SUMMARY OF FUND MOVEMENTS - GROUP

	Balance at 1 January 2022 as restated £'000	Income £'000	Expenditure £'000	Transfers (Note 14) £'000	Gains and Losses £'000	Balances at 31 December 2022 £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses fund	17,858	572	-	-	-	18,430
Stipends fund capital	37,882	-	-	964	953	39,799
Parsonages capital	187	-	-	-	(21)	166
Clergy pension fund deficit	(221)	-	93	127	-	(1)
Permanent funds						
Stipends	1,688	-	-	-	34	1,722
Bramcote Bungalows	1,094	-	-	-	(124)	970
Haseldine Homes	631	-	-	-	(66)	565
Perry Gift Fund	877	-	-	-	(99)	778
Other permanent endowment funds	543	-	-	-	(69)	474
	60,539	572	93	1,091	608	62,903
RESTRICTED FUNDS						
Diocesan Board of Education	8,997	219	(386)	-	(1,101)	7,729
Pastoral Account	221	-	(26)	-	-	195
Strategic Development funding	-	661	(661)	-	-	-
Other restricted income funds	479	127	(84)	-	(5)	517
	9,697	1,007	(1,157)	-	(1,106)	8,441
UNRESTRICTED FUNDS						
General Fund	5,441	9,916	(9,331)	253	(405)	5,874
Non-controlling interest	(45)	263	(257)	42	(3)	-
Designated reserves						
Accumulated Capital	8,498	-	-	-	620	9,118
Mission Development fund	108	-	-	-	-	108
Closed pension scheme deficit funding	1,386	-	-	(1,386)	-	-
Defined benefit pension scheme liability	(1,386)	-	29	-	1,357	-
	14,002	10,179	(9,559)	(1,091)	1,569	15,100
TOTAL	84,238	11,758	(10,623)	-	1,071	86,444

21. SUMMARY OF FUND MOVEMENTS - GROUP (prior year)

	Balance at 1 January 2021 as restated £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2021 as restated £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses	17,632	-	-	226	-	17,858
Stipends fund capital	37,760	-	-	(226)	348	37,882
Parsonages capital	163	-	-	-	24	187
Clergy pension fund deficit	(447)	-	7	219	-	(221)
Permanent funds						
Stipends	1,457	-	-	-	231	1,688
Bramcote Bungalows	944	-	-	-	150	1,094
Haseldine Homes	551	-	-	-	80	631
Perry Gift Fund	758	-	-	-	119	877
Other permanent endowment funds	474	-	-	-	69	543
	59,292	-	7	219	1,021	60,539
RESTRICTED FUNDS						
Diocesan Board of Education	8,189	245	(307)	-	870	8,997
Pastoral Account	89	137	(11)	-	6	221
Strategic Development funding	-	521	(521)	-	-	-
Other restricted income funds	447	-	-	-	32	479
	8,725	903	(839)	-	908	9,697
UNRESTRICTED FUNDS						
General Fund						
Designated reserves	4,524	9,908	(9,833)	366	476	5,441
Non-controlling interest	(36)	-	-	-	(9)	(45)
Accumulated Capital	8,498	-	-	-	-	8,498
Mission Development Fund	108	-	-	-	-	108
Closed Pension scheme Deficit funding	1,971	-	-	(585)	-	1,386
Defined benefit pension scheme liability	(1,971)	-	86	-	499	(1,386)
	13,094	9,908	(9,747)	(219)	966	14,002
TOTAL	81,111	10,811	(10,579)	-	2,895	84,238

21. SUMMARY OF FUND MOVEMENTS - COMPANY

	Balances at 1 January 2022 as restated £'000	Income £'000	Expenditure £'000	Transfers (Note 14) £'000	Gains and Losses £'000	Balances at 31 December 2022 £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses fund	17,858	572	-	-	-	18,430
Stipends fund capital	37,882	-	-	905	953	39,740
Parsonages capital	186	-	-	-	(21)	165
Clergy pension fund deficit	(221)	-	93	127	-	-1
Permanent funds						
Stipends	1,688	-	-	-	34	1,722
Bramcote Bungalows	1,094	-	-	-	(124)	970
Haseldine Homes	631	-	-	-	(66)	565
Perry Gift Fund	877	-	-	-	(99)	778
Other permanent endowment funds	544	-	-	-	(69)	475
	60,539	572	93	1,032	608	62,844
RESTRICTED FUNDS						
Diocesan Board of Education	8,997	219	(386)	-	(1,101)	7,729
Pastoral Account	221	-	(26)	-	-	195
Strategic Development funding	-	661	(661)	-	-	-
Other restricted income funds	479	127	(84)	-	(5)	517
	9,697	1,007	(1,157)	-	(1,106)	8,441
UNRESTRICTED FUNDS						
General fund	5,418	9,940	(9,369)	354	(469)	5,874
Designated reserves						
Accumulated Capital	8,498				620	9,118
Mission Development	108	-	-	-	-	108
Closed Pension scheme deficit funding	1,386	-		(1,386)	-	-
Defined benefit pension scheme	(1,386)	-	29	-	1,357	-
	14,024	9,940	(9,340)	(1,032)	1,508	15,100
TOTAL	84,260	11,519	(10,404)	-	1,010	86,385

21. SUMMARY OF FUND MOVEMENTS -COMPANY (prior year)

	Balances at 1 January 2021 as restated £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2021 as restated £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses fund	17,632	-	-	226	-	17,858
Stipends fund capital	37,760	-	-	(226)	348	37,882
Parsonages capital	162	-	-	-	24	186
Clergy pension fund deficit	(447)	-	7	219	-	(221)
Permanent funds	1,457	-	-	-	231	1,688
Stipends	944	-	-	-	150	1,094
Bramcote Bungalows	551	-	-	-	80	631
Haseldine Homes	758	-	-	-	119	877
Perry Gift Fund	475	-	-	-	69	544
Other permanent endowment funds	59,292	-	7	219	1,021	60,539
RESTRICTED FUNDS						
Diocesan Board of Education	8,189	245	(307)	-	870	8,997
Pastoral Account	89	137	(11)	-	6	221
Strategic Development funding	-	521	(521)	-	-	-
Other restricted income funds	447	-	-	-	32	479
	8,725	903	(839)	-	908	9,697
UNRESTRICTED FUNDS						
General Fund	4,500	9,732	(9,638)	366	458	5,418
Designated reserves						
Accumulated Capital	8,498	-	-	-	-	8,498
Mission Development fund	108	-	-	-	-	108
Closed pension scheme deficit funding	1971	-	-	(585)	-	1,386
Defined benefit pension scheme liability	(1,971)	-	86	-	499	(1,386)
	13,106	9,732	(9,552)	(219)	957	14,024
TOTAL	81,123	10,635	(10,384)	-	2,886	84,260

22. GROUP

SUMMARY OF ASSETS BY FUND - CURRENT YEAR	Fixed assets Tangible & Intangible	Investments	Current Assets	Creditors	Net Assets
	£'000	£'000	£'000	£'000	£'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,864	566	-	-	18,430
Stipend fund capital	14,730	24,252	1,065	(248)	39,799
Parsonages capital	-	166	-	-	166
Clergy Pension fund deficit	-	-	-	-	-
Permanent endowment funds	30	4,478			4,508
	32,624	29,462	1,065	(248)	62,903
Restricted					
Diocesan Board of Education	-	7,446	1,143	(860)	7,729
Pastoral account	-	-	195	-	195
Other restricted income funds	-	816	19	(318)	517
	-	8,262	1,357	(1,178)	8,441
Unrestricted funds					
General fund	3,834	2,251	575	(786)	5,874
Designated funds					
Accumulated capital	-	5,484	3,634	-	9,118
Other designated funds	-	-	108	-	108
Pension reserve	-	-	-	-	-
	3,834	7,735	4,317	(786)	15,100
Total funds at 31 December 2022	**36,458**	**45,459**	**6,739**	**(2,212)**	**86,444**

GROUP SUMMARY OF ASSETS BY FUND – PRIOR YEAR	Fixed assets Tangible & Intangible	Investments	Current Assets	Creditors	Net Assets as restated
	£'000	£'000	£'000	£'000	£'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,858	-	-	-	17,858
Stipend fund capital	10,627	27,255	-	-	37,882
Parsonages capital	-	187			187
Clergy Pension fund deficit	-	-	-	(221)	(221)
Permanent endowment funds	30	4,465	338	-	4,833
	28,515	31,907	338	(221)	60,539
Restricted					
Diocesan Board of Education	-	7,620	1,993	(616)	8,997
Pastoral account	-	-	221	-	221
Other restricted income funds	1,283	222	(120)	(906)	479
	1,283	7,842	2,094	(1,522)	9,697
Unrestricted funds					
General fund	1,034	5,622	(773)	(532)	5,351
Designated funds					
Accumulated capital	8,498	-	-	-	8,498
Other designated funds	-	108	1,386	-	1,494
Pension reserve	-	-	-	(1,386)	(1,386)
	9,532	5,730	613	(1,918)	13,957
Total funds at 31 December 2021	**39,330**	**45,479**	**3,045**	**(3,661)**	**84,193**

22. COMPANY

SUMMARY OF ASSETS BY FUND - CURRENT YEAR	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,864	566	-	-	18,430
Stipend fund capital	14,583	24,252	905	-	39,740
Parsonages capital	-	165	-	-	165
Clergy Pension fund deficit	-			-	-
Permanent endowment funds	30	4,479	-	-	4,509
	32,477	29,462	905	-	62,844
Restricted					
Diocesan Board of Education	-	7,446	1,143	(860)	7,729
Pastoral account	-	-	195	-	195
Other restricted income funds	147	816	745	(1,191)	517
	147	8,262	2,083	(2,051)	8,441
Unrestricted funds					
General fund	3,687	2,252	220	(285)	5,874
Designated funds					
Accumulated capital	-	5,483	3,635	-	9,118
Other designated funds	-	-	108	-	108
Pension reserve	-	-	-	-	-
	3,687	7,735	3,963	(285)	15,100
Total funds at 31 December 2022	**36,311**	**45,459**	**6,951**	**(2,336)**	**86,385**

COMPANY SUMMARY OF ASSETS BY FUND – PRIOR YEAR	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets as restated £'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,858	-	-	-	17,858
Stipend fund capital	10,627	27,255	-	-	37,882
Parsonages capital	-	186			186
Clergy Pension fund deficit	-	-	-	(221)	(221)
Permanent endowment funds	30	4,466	338	-	4,834
	28,515	31,907	338	(221)	60,539
Restricted					
Diocesan Board of Education	-	7,620	1,993	(616)	8,997
Pastoral account	-	-	221	-	221
Mission development fund	-	222	257	-	479
Other restricted income funds					
	-	7,842	2,471	(616)	9,697
Unrestricted funds					
General fund	1,034	5,622	(366)	(872)	5,418
Designated funds					
Accumulated capital	8,498	-	-	-	8,498
Other designated funds	-	108	1,386	-	1,494
Pension reserve	-	-	-	(1,386)	(1,386)
	9,532	5,730	1,020	(2,258)	14,024
Total funds at 31 December 2021	**38,047**	**45,479**	**3,829**	**(3,095)**	**84,260**

23. DESCRIPTION OF FUNDS

Expendable Endowment Funds – investment income is usable only for the specific purposes for which the endowment was given and the trustees may convert the capital into spendable income depending on various restrictions:

Benefice houses fund	represents the value of benefice houses at the balance sheet date together with the Parsonages Building funds held by the Church Commissioners. These houses are used to provide accommodation for parochial clergy. The Board is not free to dispose of the houses except in accordance with appropriate measures.
Stipends fund capital (Glebe funds)	represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The funds generate income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.
Parsonages Capital	the income to be applied to meet personage houses costs.
Clergy pension fund deficit	details contained in note 27.

Permanent Endowment Funds – investment income only is usable for the specific purposes for which the endowment was given:

Stipends	to augment clergy stipends.
Bramcote Bungalows	to provide housing for retired clergy or their spouses.
Haseldine Homes	to contribute to the payment of pension contributions for stipendiary clergy in the diocese.
Perry Gift Fund	to provide grants to clergy and lay persons deserving of financial assistance.

23. DESCRIPTION OF FUNDS

Other Permanent Endowment Funds

Ministers in training	to provide grants to ministers in training.
Miss E L Brown Trust	to be applied at the discretion of the Bishop of Southwell.
Nottingham University Chaplaincy	to pay the expenses of the Nottingham University chaplaincy.
Sacrista Canonry	to be applied for the Canon appointed to occupy the stall of the Canonry of Sacrista in Southwell Minister.
Southwell House/Hostel Charity	to be applied to property outgoings.
Yapp Donation	to be applied for a former employee's annuity, with any surplus to be used for the benefit of persons who are physically or mentally handicapped.

Restricted Funds – can only be used for the specific purposes for which they were given:

Diocesan Board of Education	to administer the scheme for the Diocese's Church Schools' building programme and to operate for the benefit of Church Schools.
Pastoral account	set up under the provisions of the Pastoral Measure 1983 and represents proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983.
Strategic Development Fund	represents sums of money made available by the Archbishop's Council set aside for mission development.

Other Restricted Funds

Landon Bequest	to fund Church of England students and Ordinands to serve overseas.
Natal Link Fund	represents donations from parishes and individuals for general work and specific projects in the Diocese of Natal.
Readers Association	to meet central costs for Readers.
Industrial Chaplaincies	to meet central costs for industrial chaplaincies.

23. DESCRIPTION OF FUNDS

Designated Funds – general funds that the Trustees have chosen to use for a specific purpose:

Accumulated Capital Fund	represents amounts transferred from the general fund, gains less losses on investments and the directors' valuation of property transferred at no cost. This fund is designated for use to purchase fixed assets.
Mission Development Fund	Amounts in addition to the restricted fund set aside for Mission Development.
Closed Pension Fund Deficit Funding	amounts transferred from the general fund to meet future deficit contributions.

General fund - the general fund is the Board's unrestricted undesignated fund available for any of the Board's purposes without restriction.

24. CAPITAL COMMITMENTS

At 31 December 2022 the Group had capital expenditure commitments authorised but not contracted for of £NIL (2021 - £NIL) and contracted for but not yet due of NIL (2021 - £10,000).

25. OPERATING LEASES

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

	GROUP 2022 £'000	COMPANY 2022 £'000	GROUP 2021 £'000	COMPANY 2021 £'000
Other operating leases where the lease expires:				
Within one year of the balance sheet date	-	-	27	-
In the second to fifth years inclusive of the balance sheet date	-	-	100	-
Over five years from the balance sheet date	-	-	400	-
	-	-	527	-

25. OPERATING LEASES (continued)

Analysed as follows	GROUP 2022	COMPANY 2022	GROUP 2021	COMPANY 2021
Land & Buildings	**£'000**	**£'000**	**£'000**	**£'000**
Other operating leases where the lease expires:				
Within one year of the balance sheet date	-	-	27	-
In the second to fifth years inclusive of the balance sheet date	-	-	100	-
Over five years from the balance sheet date	-	-	400	-
	-	-	527	-

	GROUP 2022	COMPANY 2022	GROUP 2021	COMPANY 2021
Other	**£'000**	**£'000**	**£'000**	**£'000**
Other operating leases where the lease expires:				
Within one year of the balance sheet date	-	-	-	-
In the second to fifth years inclusive of the balance sheet date	-	-	-	-
Over five years from the balance sheet date	-	-	-	-
	-	-	-	-

26. CONTINGENT LIABILITIES

The Board has given guarantees on grants made by Nottingham City Council from public funds to various parishes totalling £NIL (2021 - £2,075). The Board is also party to a guarantee in respect of Bluecoat Academy, as in common with all Church of England schools, the Board owns the land the school building is built upon.

27. PENSIONS

The Board participates in two pension schemes, both of which hold the assets of the schemes separately from those of the Board and the other participating employers. One of these is the **Church of England Funded Pensions Scheme** for stipendiary clergy, the other is **The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme** for lay staff.

Church of England Funded Pension Scheme

This scheme is administered by the Church of England Pensions Board. Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

27. PENSIONS (continued)

Church of England Funded Pension Scheme (continued)

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2022 £909,903- 2021 £912,000) plus the impact of deficit contributions (see below).

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

- An average discount rate of 2.7%pa
- RPI inflation of 3.6% pa (and pension increases consistent with this)
- Increase in pensionable stipends of 3.4% pa
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

A reconciliation of the balance sheet liability is set out below:

	GROUP& COMPANY 2022 £'000	GROUP& COMPANY 2021 £'000
Balance sheet liability as at 1 January	221	447
Contributions paid	(128)	(220)
Interest cost (recognised in the SOFA)	-	1
Re-measurement of the balance sheet liability	(93)	(7)
Balance sheet liability as at 31 December	-	221

27. PENSIONS (continued)

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

	December 2022	December 2021	December 2019
Discount rate	n/a	0.0%	0.2%
Price inflation	n/a	n/a	3.1%
Increase to total pensionable payroll	n/a	-1.5%	1.6%

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

Recognition of the liability to fund pension fund deficits on defined benefit pension schemes

FRS 102 requires an entity that has entered into an agreement to reduce the historic deficit on a multi-employer pension scheme, to recognise the liability in accordance with FRS 102 section 28.13 and 28.13A. The Board has a payment plan with the Church of England Pension's Board to pay the Clergy Pension Scheme deficit over a ten-year period (until 2022). Upon transition, the Board has recognised the present value of deficit funding contributions. As at 31 December 2022, this amounted to £nil for the Clergy Pension Scheme (2021: £221,000).

The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme- Defined Benefits Scheme

The Board operates a defined benefit pension scheme in respect of eligible employees whose employment began on or before 1st April 1993. The Board is required to follow Financial Reporting Standard 102 in disclosing the financial position of the scheme. The trustees of the scheme are required to act in the best interests of the Scheme's beneficiaries. The Scheme Trust Deed requires that one trustee be appointed from amongst the active members of the scheme - a member-nominated trustee. One trustee is appointed from amongst the membership of Bishop's Council (the Board of Directors) and the third and final trustee is the officeholder of the post of Chief Executive of the Board of Finance.

The contribution is determined by a qualified actuary on the basis of triennial valuations using the 'Attained Age Method' and the most recent valuation was at 31st March 2017. During the year the Board paid contributions of £109,000 (2021 - £109,000). The Board's agreed future contribution rate equates to 34% of pensionable salaries (previously 24%) and member employees contribute 5% to the Scheme.

The annual contribution to the scheme is charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Board.

	2022	2021
The main financial assumption are		
	Basis	**Basis**
Discount rate	4.9%	1.8%
Inflation (RPI)	3.3%	3.5%
Inflation (CPI)	2.3%	2.5%
Pension increases	3.2%	3.5%
Salary increases		3.4%

From 1 January 2019 the assets are invested with Schroders with 75% in equities and 25% in bonds.

27. PENSIONS (continued)

The overall expected return on assets assumption has been determined with reference to the underlying asset allocation on the assets held and the expected long-term rate of return on those asset classes at the year end.

Amounts recognised in the Statement of Financial Activities:

	2022 £000	2021 £000
Current service (cost)	-	-
Interest (cost)	(67)	(64)
Administration costs	-	-
Interest on assets	91	41
	(67)	(23)

Reconciliation of assets and defined benefit obligations:

Fair Value of assets:	**£000**	**Defined benefit obligations:**	**£000**
As at 1 January 2022	3,753	As at 1 January 2022	5,139
Interest on assets	67	Current service costs	-
Employer contributions	109	Contributions by Scheme participants	-
Contributions by Scheme participants	-	Interest cost	91
Benefits paid	(154)	Benefits paid	(154)
		Experience loss on liabilities	76
Return on plan assets less interest	(425)	Changes to financial assumptions	(1,858)
As at 31 December 2022	**3,350**	**As at 31 December 2022**	**3,294**
Net asset			£56

The defined benefit pension scheme asset has been recognised in other debtors.

Scheme deficit funding of £1,386,000 aside in a designated fund, has been released in the year.

Summary of pension liabilities	2022 £000	2021 £000
Church of England Pension scheme	-	221
SNDBF Retirement Scheme	(56)	1,386
	(56)	1,607
Included in:		
Current assets	56	-
Current liabilities	-	220
Long term liabilities	-	1,387
	56	1,607

28. PRIOR YEAR COMPARATIVE CONSOLIDATED SOFA AS RESTATED

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total funds 2021
	£'000	£'000	£'000	£'000
Income and endowments from				
Donations				
Deanery share	5,384	-	-	5,384
Archbishops' Council	1,760	521	-	2,281
Other donations	146	-	-	146
Charitable activities	691	32	-	723
Other activities	490	1	-	491
Investments	843	211	-	1,054
Other	331	401	-	732
	9,645	1,166	-	10,811
Expenditure on				
Raising funds	335	74	-	409
Charitable activities	9,195	601	-	9,796
Clergy pension scheme movement	-	-	(7)	(7)
Church schools & Diocesan projects	-	164	-	164
Other	22	195	-	217
	9,552	1,034	(7)	10,579
Net income before investment gains	93	132	7	232
Other recognised gains/(losses)				
Net gains on investments	458	908	1,021	2,387
Gains/(losses) from changes in financial assumptions on defined benefit pension scheme	499	-	-	499
Net income	1,050	1,040	1,028	3,118
Transfers between funds	(219)	-	219	-
Non-controlling interest	-	9	-	9
Net movement in funds	831	1,049	1,247	3,127
Total funds brought forward	13,019	8,800	59,292	81,111
Total funds carried forward	13,850	9,849	60,539	84,238

29. RELATED PARTY TRANSACTIONS

Church Urban Fund (CUF) Joint Venture
The Board of Finance and CUF are the founding members of a subsidiary of CUF, "Transforming Notts Together", which is a charitable company limited by guarantee and in partnership between the Board of Finance and CUF. TNT paid the Board £108,253 (2021-£111,206) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2022 was £30,556 (2021- £11,996).

The Diocese of Southwell & Nottingham Education Trust
This Charity has been set up in response to the likely challenge of a large number of Church of England Schools converting or otherwise becoming Church of England Academies under the Academies Act 2010. The Charity will perform a role in the Diocese in supporting Church of England Academy Trusts to fulfil their responsibilities in relation to their schools/academies and as a member of each of the Church of England Academy Trusts also to challenge and to hold governors to account in this regard. The Charity is also intended to operate as a sponsor or co-sponsor of Church of England Academies in the Diocese and elsewhere as required. The Trustees are Ian Griffiths, Revd Canon Mark Tanner, John Loughton, Martin Cooper and the Diocesan Director of Education. There were no transactions in the financial year.

The Diocese of Southwell & Nottingham Multi Academy Trust
The company was set up in August 2013 and is a limited by guarantee without share capital. The company houses the church schools which have converted to Academy status. The directors are Philip Blinston, Roger Periam, Hilary Craik, Chris Moodie, Angela Pae, John Loughton, Joanne Saville, and Nigel Frith. The Multi Academy Trust paid the Board £26,034 (2021- £38,749) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2022 was £7,514 (2021 - £13,126).

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 of Finance to support the furtherance of the Board of Finance's objects.

Other related parties
Canon M Arlington, Chair of the Finance Committee is a Governor of the Samworth Church Academy in Mansfield. The balance outstanding at 31 December 2022 was £8,539 (2021 - £8,307). Transactions during the year were £33,679 (2021 - £33,087) in respect of reimbursement for salaries and expenses.

Subsidiaries
During the year, the Board received loan interest from Wind FX Limited of £64,863 (2021-£86,484). Wind FX Limited also paid the Board £3,500 (2021-£3,000) towards accountancy costs in the year. At 31 December 2022 Wind FX Limited owed the Board £NIL (2021-£864,848). SNDBF Solar Limited owes the Board £226,190 (2021-£226,190) at 31 December 2022 and the Board owes SNDBF Solar £145,859 (2021-£121,283).

30. PRIOR YEAR ADJUSTMENT

The 2021 financial statements have been restated to correct the allocation of restricted and unrestricted funds. The adjustment is due to the reclassification of funds relating to the trading subsidiaries as unrestricted rather than restricted and small classification errors. None of the funds reclassified were ever considered to be restricted funds. The effect on the opening funds is as follows:

	Amount as originally reported £000	Prior year adjustment £000	As re-stated £000
Company balance sheet			
Restricted funds	9,784	(87)	9,697
Unrestricted funds	5,331	87	5,418
Consolidated balance sheet			
Restricted funds	9,849	(152)	9,697
Unrestricted funds	5,244	152	5,396

The 2021 consolidated balance sheet has also been amended to correct the reporting of the minority interest. The minority interest was previously reported incorrectly within other debtors. The effect of the adjustment is to reduce net assets by £45k as detailed below. The financial statements now account for the deficit minority interest of £45k within the funds section of the balance sheet.

	Amount as originally reported £000	Prior year adjustment £000	As re-stated £000
Consolidated balance sheet			
Debtors	1,192	(45)	1,147
Net assets	84,011	(45)	83,966

A further prior year adjustment has been made to reflect an investment in a quarry at its fair value. The change in fair value of the quarry in the year to 31 December 2021 has been recognised in gains/(losses) on investments.

	Amount as originally reported £000	Prior year adjustment £000	As re-stated £000
Company and consolidated balance sheet			
Fixed asset investments	45,252	227	45,479
Endowment funds	60,312	227	60,539
Consolidated statement of financial activities			
Gains/(losses) on investments	2,645	(258)	2,387
Total funds brought forward	80,626	485	81,111

31. FUNDS HELD AS CUSTODIAN TRUSTEE

The Board acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. Each year an annual statement of value is made available to all PCCs. The market value of investment held on behalf of PCCs and others is £8.5m, cost £4.0m (2021- £9.56 million, cost £3.8 million).

32. DEVOLVED CAPITAL FORMULA

Since April 2006, the Education Funding Agency (EFA) have paid devolved Formula Capital (DFC), directly to schools or dioceses before the funds are spent on capital projects. This year education restricted funds received £16,016 on behalf of 2 schools (2021- £235,567 on behalf of 7 schools). These funds are maintained in individual school ledgers with payments and governors 10% contributions shown.

The Schools Executive Officer monitors these accounts and advises schools of current balances and authorises payments. At the year end the balance of these DFC accounts was £11,320 (2021-£51,203) which is not included in these accounts.

33. COLLABORATION AGREEMENT

In 2010 the Board entered into a collaboration agreement with 5 other parties to develop land for housing. The terms of the agreement are such that the Promoter has first call on any receipts from the housing developer, as they are responsible for putting the infrastructure into the site for it to be developed for new homes. Any surplus left at the end of the project will be shared amongst the members of the collaboration agreement, but at 31 December 2022, the timing and receipt of these funds cannot be measured with any certainty. During 2021 the four parcels of land owned by the Board were sold to the housing developer, but in accordance with the Collaboration agreement the proceeds were added to the collaboration account to cover continuing infrastructure costs, not remitted to the Board. There is a fixed charge dated 11 April 2018, in favour of Homes and Communities Agency relating to the collaboration agreement, regarding a small piece of land that is part of the agreement owned by the Board.

SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249359

Accounts

THE CHURCH OF ENGLAND

Diocese of Southwell & Nottingham

SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE

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ADMINISTRATIVE DETAILS
For the year ended 31 December 2021

Trustees

In accordance with the Companies Act 2006, The Statement of Recommended Practice 2019 (SORP 2019) and Financial Reporting Standard 102 (FRS 102), the Trustees (for the purposes of charity law) and Directors (for the purposes of company law) during the year and as at the date of signing follow:

PRESIDENT

The Bishop of Southwell and Nottingham, Right Revd Paul Williams

BISHOP'S COUNCIL AND STANDING COMMITTEE OF THE DIOCESAN SYNOD (BEING THE FINANCIAL EXECUTIVE OF THE DIOCESAN SYNOD AND THE BOARD OF DIRECTORS OF THE BOARD OF FINANCE)

EX-OFFICIO

The Rt Revd The Bishop of Southwell & Nottingham
The Rt Revd The Bishop of Sherwood
The Very Revd The Dean of Southwell
The Venerable The Archdeacon of Newark **(a)**
The Venerable The Archdeacon of Nottingham **(a)**
The Chair of the House of Clergy of the Diocesan Synod (Revd S Hustwayte) **(a)**
The Chair of the House of Laity of the Diocesan Synod (Mr M Wilson) **(a) (b)**
The Chair of the Finance Committee (Canon M Arlington) **(a)**

ELECTED BY THE SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD

CLERGY (5)

Newark Archdeaconry (2)
Revd A Fletcher (to 29 September 2021)
Revd Canon M F Shouler (to 29 September 2021)
Revd L Lima (from 29 September 2021)
Revd Z Burton (from 29 September 2021)

Nottingham Archdeaconry (3)
Revd Canon S Silvester
Revd C Bourne (to 29 September 2021)
Revd M Tanner (b) (from 29 September 2021)
Revd P Shaw (from 29 September 2021)
Revd S Hustwayte (to 29 September 2021)

LAITY (9)

Newark Archdeaconry (4)
Professor P Harris
Mr R Brand
Mrs C Shaw (from 29 September 2021)
Mr C Perrett (to 20 June 2021)

Nottingham Archdeaconry (5)
Mr C Slater (to 29 September 2021)**(a)**
Mrs S Dunster (to 29 September 2021)
Mr C Barber (from 29 September 2021)
Miss S Waterston
Mrs J Gray
Mr C M Bolton
Mr R Cleave (from 29 September 2021)
Mr R Gutteridge (from 29 September 2021)

(a) Member of the Finance Committee
(b) Member of the Board of Education

PRINCIPAL OFFICERS AND ADVISERS

Diocesan Chief Executive & Company Secretary	Mr M L Cooper BA (Hons) FCA ATII
Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance	Mrs A J Redgate LLB

Administrative Details (continued)
For the year ended 31 December 2021

HEADS OF DEPARTMENTS

Director of Discipleship & Ministry	Revd Canon Dr R Kellett BTh (Hons), BSc (Hons), MA, PhD
Director of Partnerships & Mission	Revd D McCoulough BA (Hons) MA
Director of Education & Mission	Mr N Frith BA MA NPQH
Director of Communications	Vacant
Director of Parish Support	Mr F McNish (resigned 31 August 2021)
Director of Finance	Mrs R A J Bowes FCCA

BANKERS

Lloyds Bank, Nottingham

INVESTMENT MANAGERS

CCLA Central Board of Finance of
the Church of England
Cazenove Capital Management Ltd
Mayfair Capital Investment Management Ltd
Ruffer LLP

SOLICITORS

Rotheras, Nottingham

CHARTERED SURVEYORS

Jas. Martin & Co, Lincoln
Tanners, Nottingham
Geo Hallam & Sons, Nottingham

MINING, MINERALS, ENGINEERING & ENVIRONMENTAL CONSULTANTS

Mineral Surveying Associates

INSURERS

Ecclesiastical Insurance Group

AUDITOR

BHP LLP
2 Rutland Park
Sheffield
S10 2PD

REGISTERED ADDRESS

Jubilee House
Westgate
Nottingham
NG25 0JH

CHAIRMAN'S FOREWORD
For the year ended 31 December 2021

I am deeply thankful as I review the activity of the diocese in 2021 particularly against the backdrop of the Coronavirus pandemic that we have been living through. The Church, like nearly every organisation, was not able to respond to the new and unpredictable challenges by turning to a ready prepared plan. As a result, we have been compelled to draw upon more hidden resources of resilience, innovation and courage to sustain our core activity across 320 churches, 85 church schools and many other places of mission. I have been inspired and stirred on countless occasions by stories 'on the ground' where congregations and clergy have resolved to make the love and hope of Christ known, for the blessing of all who live in the communities we serve.

It is too early to assess in what ways and where the relentless pressure of recent times has impacted particular parishes. Many were still re-grouping and re-configuring their ministry when the latest variant required hurried adaptation to the plans for Christmas. It will take another year or more, while we continue to learn to live with the Coronavirus, to establish a clear picture of where parishes have grown or declined in their overall ministry. In the meantime, there are encouraging reports of new people engaging with the life of the church and faith as a result of developing an on-line presence and new forms of pastoral care through the pandemic. In all parts of the diocese there are some inspiring stories of new growth and refreshed vision for mission.

Throughout 2021 the Bishop's Council has provided strategic oversight for those initiatives and developments that have enabled the diocese to accelerate positive change in alignment with our aspirations for Growing Disciples. The Bishop's Core Team, supported by wider teams within Jubilee House, has ensured consistent delivery of our objectives through the seven streams of work set out in 2020.

1. *Transformation Change Appointments* – We have re-shaped a number of clergy appointments which will enable significant change to facilitate growth; some of these are time-specific appointments that ensure we do not reduce the level of stipendiary ministry while maintaining flexibility in future deployment planning in the medium term.

2. *New models of Local Missional Leadership* – We have accelerated our planning in the training and commissioning of people who are equipped and called to lead local mission, within new initiatives and existing parishes.

3. *Youth and Children Growing Disciples Task Group* – Building on the extensive heritage of children and youth ministry in the diocese, we have been addressing the significant need to revitalise our mission among and with children and youth, working in partnership with our church schools. A Task Group led by the Bishop of Sherwood, and following wider consultation, has developed a plan for strategic investment in 5 new youth hubs and 10 children and families centres. This will be greatly assisted by substantial Strategic Development Funding granted in November 2021.

4. *Communications Review* – We have undertaken a communications review in light of the new mission opportunities that have been identified over the past 18 months, especially drawing on the learning from the increased activity through on-line platforms. A new website has been launched with fresh video resources; we have also established an on-line learning platform to support present ministry and equip new leaders across the churches.

5. *Increasing Diversity* – Early progress had been made in fostering a vision for a more diverse church, which includes addressing the systemic issues that unintentionally limit our mission and undermine the gospel. The newly formed GMH (Global Majority Heritage) Advisory Group has ensured that we are not distracted from turning vision into action.

6. *Well-being and Resilience* – This remains an essential component in sustaining the mission of the diocese through times of sustained pressure, not only in relation to clergy but all who share ministry, with an increasing focus on addressing Relational, Physical, Mental and Spiritual Health (RPMs)

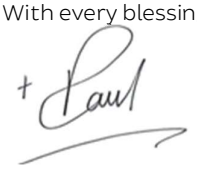
7. *Prayer Stream* – Prayer is the engine of the Church in mission and in the context of increased challenge and change in society, we are seeking to foster an increasing engagement with patterns of prayer that can sustain and inspire radical discipleship. We can testify to some wonderful answers to prayer but there is always more to learn in prayer, aligned to fresh vision for revitalising worship in all its traditions.

We were pleased to welcome and license the new Archdeacon of Newark, Tors Ramsey, in June, and start 2022 with all the senior strategic posts in the diocese filled by people called and inspired by God to oversee the mission of the diocese. During 2021 we have also expanded and developed the work of our Safeguarding Team to ensure that we continue to embed good Safeguarding practices into every part of the life of the diocese, as an essential core element of our mission. The Past Cases Review 2 (undertaken across the Church of England) has affirmed existing good practice which is in place, as well as identified key recommendations that are already being implemented under the direction of the Diocesan Safeguarding Advisory Panel, led by the independent chair, Barry Earnshaw.

Speaking in the service of welcome to Archdeacon Tors at St Mary Magdalene, Newark, the Lord Lieutenant, Sir John Peace, spoke movingly of how greatly our society needs to recover a sense of hope emerging from the pandemic and related challenges for our world, including climate change. He graciously reminded us that this is our special calling as the church of God. We are people of hope. Not pious optimism but gritty, feet-on-the-ground, hearts-open, hope in the God of all hope.

I am confident that we are all well placed to respond to the challenges that are still before us, drawing upon the same resilience, innovation and courage that has been displayed over these past two years. I pray that our financial giving, and the stewardship of all our resources, ever more reflect our hope-filled vision of a Church that has Good News for people everywhere. This will shape the approach we take in reviewing and refreshing our Growing Disciples vision and priorities during 2022, to ensure we align vision and strategy with resources as we look beyond the immediate challenges and towards the sort of church we are called to be in 2030 and beyond.

With every blessing



The Rt Revd Paul Williams
Bishop of Southwell & Nottingham

TRUSTEES' REPORT
For the year ended 31 December 2021

The Trustees, who are also Directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in 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.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

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

The Board has the following statutory responsibilities: -

i. the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976;

ii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;

iii. the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991;

iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents, Archdeacons and Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

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

PUBLIC BENEFIT

The Trustees are 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 Trustees believe that, by promoting the work of the Church of England in the Diocese ,of Southwell & Nottingham, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and

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

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Board for the purposes of Company Law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP 2019 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far aware the trustees are aware:

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

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

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out in the section on Structure and Governance. Trustees are given induction at the outset of the triennium and at other times as needs are identified. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act.

VOLUNTEERS

The Board 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 the church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly in times of crisis. Within this context, the Board greatly values the considerable time given by all the committee members across the diocese in pursuit of the mission of the Board.

MISSION STATEMENT

We have a strategic vision of Growing Disciples, reaching wider, connecting younger and nurturing deeper roots of faith. A Task and Finish Group has been formed to review progress towards the strategic vision and refresh it for the period 2023-30.

STRATEGIC AIMS

The Board resources mission and ministry through 250 parishes and other networks.

The annual budget has been set against this background, designed to provide adequate resources to fund the present, as well as to shape the future, in a way that is fit for the missional task. We continue to prioritise the appropriate provision of stipendiary parish clergy and licensed lay workers across the diocese.

The Board's strategy for achieving its objectives is to adopt a methodology of limiting central sources of expenditure in favour of both releasing funds for mission and minimising the increase in Parish Share. The Board continues to maintain the sound financial structure needed to enable it to continue supporting the clergy and lay workers through the payment of stipends, managing parsonages and other ministerial housing. It provides resources in support of the ministry of both clergy and lay people in parishes across the diocese.

OBJECTIVES FOR YEAR

The objective of the Board is to provide financial resources for the achievement of the priorities of the Bishop and Diocesan Synod.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

The financial year 2021 began under Covid 19 lockdown, and the continued restrictions at the beginning of the year had further impact on our activities.

The trustees would like to pay particular tribute to Colin Slater MBE who passed away in January 2022, after many years as a director and trustee of the Board. His contribution over many years was significant, and he will be hugely missed.

The Board were pleased to be awarded a further Strategic Development Funding (SDF), after extensive consultation with local churches and other stakeholders. This funding will be used to develop and enhance our children's and youth work across the Diocese. Further work continued in the year using money from our previous Strategic Development Fund Bids to allocate £150,000 from our New Worshipping Communities

funding, and continue to support parishes with their Growing Disciples plans.

The Discipleship and Ministry team has continued to be active in training and developing lay and ordained ministers across the Diocese using both online and in-person provision where available and will continue this hybrid approach going forward. Working with our partners, Rebuilding Generations, we ran our first Rebuild Learning community mainly online with 150 leaders and volunteers representing
37 churches across the length and breadth of the Diocese.

We managed to hold the Diocesan conference in person attracting 200 people on our theme of Jesus Centred, Jesus Shaped: Evangelism in our contemporary world with input from the Archbishop of York, Stephen Cotterell, Hannah Steele, Denis Adide and Rachel Gardner.

September saw us launch the Learning Hub, a digital learning portal and we have 587 subscribers. Users can access training either individually or in groups, sign up to courses and events as well as be directed to external training opportunities. In addition it's our gateway into Moodle a virtual teaching and learning platform where students can access and submit material. We hope to expand the Learning Hub next year to include material and courses from the Education and Safeguarding departments.
During the last quarter we also launched the new Diocesan website and welcome video.
Work continued on our response to climate change, with extensive work being done by Rev David McCoulough and Robert Cleave as the newly appointed Diocesan Environmental Officer.
In 2021 we registered as an Eco Diocese with A Rocha UK and participated in the Young Christian Climate Network relay walk from G7 to COP26 in Glasgow. We continue to work with cross agency partners to tackle homelessness and modern slavery, and to support local church responses to the needs of rough sleepers refugees and asylum seekers, in the city and county. We have begun to explore how we can best respond to the Archbishop's Coming Home Report on Housing Need. A new chaplaincy started in St Stephen's Sneinton based in the local GP practice, and the town centre chaplaincy continued to develop in Retford.

During the year we welcomed Venerable Victoria Ramsey as Archdeacon of Newark, and three clergy were made Honorary Canons of Southwell Minister, Revd Canon Angela Fletcher, Revd Canon Kate Bottley and Revd Canon Dr Stephen Hippisley -Cox.

We supported 7 members of the clergy with their retirement plans and assisted with moving 12 clergy families in housing in the Diocese.

FUTURE PLANS

In 2022, we will be focusing on refreshing our strategic vision of Growing Disciples Wider, Younger, Deeper.

We are conscious of the need to focus on generous giving, in its widest sense, as part of whole life discipleship and our Clergy Study Day will start the journey.

The focus on our response to climate change will continue, aiming to cut our carbon footprint and promote eco church and to encourage further our understanding of caring for creation as central to whole life discipleship. The Diocesan Advisory Group will also instigate a strategy for our church buildings across the Diocese and aim to improve our church building carbon footprint and increase awareness and use of environmental products and services.
Plans also include running another Rebuild Learning community and training our first cohort of Local Missional Leaders. We want to focus on growing vocations in the coming year which have been diminishing somewhat during the pandemic and allied to this will be to launch a second leadership year on the internship programme of YLC.

KEY PERFORMANCE INDICATORS

The Board regards its key performance indicators as follows:

	2021	2020
Percentage of parish share received	90.7%	87.3%
Average rate of return on investments	2.51%	2.75%

The apparent improvement in Parish Share performance was due to the Share requested from deaneries being reduced by £382,000 through the Parish Share Support Fund. This Fund was established to enable deaneries to provide relief for the adverse impact of Covid 19 on rental income from parish facilities and trading operations. The move to a new investment manager was only completed at the end of the financial year, and the investment in renewable energy continue to perform well.

FINANCIAL PERFORMANCE

The main income to the Board is from parishes giving Parish Share, which has decreased by £54,000 this year. The Trustees are immensely grateful to all the parishes who, during the Covid 19 pandemic continued to contribute to parish share, and supported Ministry in the Diocese. We cannot achieve this without their support.

INCOME	% of Total		2021 £000	2020 £000
Parish Share	49.8		5,384	5,438
Archbishops' Council	21.1		2,281	2,149
Allchurches Trust	1.2		143	140
Fees	2.78		301	278
Investment income	9.75		1,054	1,089

The Trustees acknowledge with thanks the annual distribution from Allchurches Trust.

The other grants received from Archbishops' Council during 2021 are £521,000 Strategic Development Fund monies, which is matched funded by the Board and £1,260,000 Lowest Income Communities funding to support mission in our poorest parishes. We also received a Covid 19 Sustainability grant from Church Commissioners of £300,000 to contribute towards our exceptional losses this year, and we are in receipt of Strategic Ministry funding for additional curates of £136,000.

Due to the continued effect of the Covid 19 pandemic, remote working for many of the Jubilee House staff continued. The Board continued to utilise the Government's job retention scheme, which covered £17,000 of salary costs until the scheme finished in the summer. The Board managed a net gain before investment gains and losses of £93,000 in the general fund (2020: gain £333,000), largely due to the Covid Sustainability Funding we received from Church Commissioners.

The capital values of investments have had a better year than last, and the year end position of £45,252,000 is an overall increase of £2,721,000.
The capital values of agricultural land has remained the same. The unrealised gain on investments at the year end was £2,645,000. The Board received £1,241,692 during the year relating to the sale of glebe assets.

REVIEW OF THE BALANCE SHEET

The Trustees consider that the balance sheet, together with details in note 22, show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £84,011,000 (2020: £80,626,000) it must be remembered that included in this total are a considerable number of properties, mostly in use for the ministry and mission of the Board, whose value amounted to £34.1 million (2020: £34.5 million). Much of the

remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the Board.

Restricted and endowment funds

As set out in note 23 the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2021 restricted funds totalled £9.8m (2020: £8.8m) and endowment funds totalled £60.3m (2020:£58.8m). Net outgoing resources in the education restricted fund, before investment gains, amounted to £62,000 (2020:£31,000) and resources were mainly used to finance the salaries of those Education Department staff with responsibility for church schools and academies.

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer required. A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2021 total designated reserves were £9.9m (2020: £10.6m). There is a balance of £1.4m set aside in a designated fund to finance the funding shortfall on the closed lay staff defined benefit pension scheme to eliminate the deficit by March 2025.

Free reserves

The Board of Finance has considerable responsibilities including the remuneration of over 120 stipendiary clergy, the employment of over 60 full or part time staff and the upkeep of nearly 190 houses. Most of the Board's income is voluntary with half coming from Parish Share and the balance made up of grant income from Archbishops' Council and income investments and other sources. In light of this and the flow of income, the Trustees have determined that it is prudent to hold free reserves at least equivalent to general fund expenditure over two months i.e. £1.5m.

At 31 December 2021, the Board of Finance's free reserves were £4.2 million (2020: £3.3m). The trustees consider that with the continued uncertainty around the economic situation together with the changes in the way that Diocese are resourced from Church Commissioners, and the continuing pressure on parish share, the increased holding of free reserves is prudent.

Subsidiaries

During 2015, the Board set up two subsidiary companies. SNDBF Solar Limited is a wholly owned subsidiary that manages the £226,000 invested in the installation of solar panels on 50 benefice houses. Wind FX Limited is 60% owned by the Board and operates a 500Kw wind turbine. The investments into these companies, by way of loan capital, totalled £1,090,000.

Investment policy and performance

The Board is empowered by its Memorandum of Association to invest monies not immediately required for its purposes. In addition, the Board acts as trustee of a number of trust funds, and these must be invested in accordance with the related trusts. The Board's policy is to review regularly the assets of each fund. Notes 22 and 23 provides details of the assets of each fund, together with the related purposes, and note 16 summarises the movements in investments during the year.

The implementation strategy for the diocesan assets is managed by a subgroup of Finance committee on behalf of Bishop's Council. The strategy is to grow the value of the diocesan assets and their annual income with a due regard to the level of risk associated with the ownership of particular assets. The Board appoints managers to advise and manage investments who are instructed to apply the ethical investment policy of the Church of England. Investment managers are tasked with a return of RPI +4%.

The Diocese has historically been an owner of agricultural land, currently 3,680 acres including 3 farms. The growth in value of agricultural land since 2006, has resulted in nearly 50% of the total value of assets being in land. The current policy is to reduce the amount of land over time when the opportunity arises to sell freehold land; the proceeds being invested in a wide range of financial assets which are more liquid and of a higher annual income return than land. A small investment is also held in a specialist commercial property fund managed for charity clients. Dunham House, a residential apartment block in Southwell, is managed to produce a rental return.

Funds which may be needed for working capital in the short-term are held as deposits with the Central Board of Finance of the Church of England and the Board's bankers, Lloyds Bank plc.

FUNDS HELD ON BEHALF OF OTHERS

As Custodian Trustee: The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £8.4m at 31 December 2021 (2020: £8.4m), are available from the Board on request.

On behalf of Schools: The Board of Education (as incorporated within the Board) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also Government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out.

The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in creditors as at 31 December 2021 is £51,203 (2020: £104,371). The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £235,567 in 2021 and £444,635 in 2020.

GRANT MAKING 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 of Finance to support the furtherance of the Board of Finance's objects.

Mission Development Funding from Archbishops' Council has now ceased, so the designated fund will be used to support the existing projects.

Southwell and Nottingham is one of 41 dioceses in the Church of England covering the whole of Nottinghamshire and a small section of South Yorkshire and North Leicestershire. It is administered through the Board, a charitable trust company limited by guarantee. The Diocese is arranged as 2 archdeaconries, Newark covering the north part with 4 deaneries and Nottingham the south with 5 deaneries. In total there are some 250 parishes.

Each Diocese is a separate entity led by the Bishop and is governed by the Canons of the Church of England and the Acts and Measures of General Synod as well as state legislation that relates to companies and charities. In Southwell and Nottingham, the

Diocesan Bishop is assisted by the Suffragan Bishop of Sherwood.

At national level the Diocese relates to the Archbishops' Council, the Church Commissioners and the Church of England Pensions Board. Further information can be found at www.church-of-england.org. The financial transactions of these bodies do not form part of these financial statements.

Each diocese is divided into benefices which are made up of parishes. The priest of a benefice is an office holder who shares the cure of souls with the Bishop. Matters relating to finance and parish owned property in a parish, are the responsibility of the Parochial Church Council, each of which is an individual charity separate from the Diocese. Benefices are grouped together in nine Deaneries which are units of mission, conduit of communication and whose members elect the members of General and Diocesan Synod.

Southwell Minister is the cathedral church of the diocese and is itself a separate legal entity. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Southwell Minster, Church Street, Southwell, Nottinghamshire, NG25 0HD.

The Board of Finance and Diocesan Synod: Within the Diocese there are two major bodies - the Diocesan Synod and the Board of Finance: the **membership** of both is coterminous

Board of Finance: The company, Southwell & Nottingham Diocesan Board of Finance, was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 5th June 1891 as a charitable trust company limited by membership guarantee (No. 34165) and its governing documents are the Memorandum and Articles of Association. The Board of Finance is registered with the Charity Commission (No. 249359).

The company, originally called the Southwell Diocesan Finance Association, changed its name to the Southwell Diocesan Board of Finance on 18 January 1932. On 28 February 2006, the company changed its name to the Southwell & Nottingham Diocesan Board of Finance.

As a member of the Board, each member of Synod has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

Diocesan Synod: Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, plus up to 20 co-options

The Diocesan Synod usually meets twice a year.

Its role is to:

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

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council.

The Bishop's Council (and Standing Committee of the Diocesan Synod): The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of 8 ex officio members (the Diocesan and Suffragan Bishops; 2 Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; and the Chair of the Finance Committee), 5 clergy elected by the House of Clergy from among their number (3 from the Archdeaconry of Nottingham and 2 from the Archdeaconry of Newark) and 10 lay persons elected by the members of the House of Laity representing deaneries (6 from the Archdeaconry of Nottingham and 4 from the Archdeaconry of Newark) and up to 4 co-opted members of Diocesan Synod. Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- to plan the business of the Synod,
- to initiate proposals for action by the Synod and to advise it on matters on policy;

- to advise the Diocesan Bishop, on any matters which he may refer to the Council;
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- to appoint members of committees or nominate individuals for election to committees; and
- to carry out such functions as the Synod may delegate to

Decision Making Structure: Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Southwell and Nottingham, are set by the Diocesan Synod and the Board.

The company meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Board. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold up to eight meetings during the year to formulate and coordinate policies on mission, ministry and finance. The Trustees rely upon the Diocesan Chief Executive and their team of six departmental directors for the delivery of the day to day activities of the company. The Diocesan Chief Executive is given specific and general delegated authority to deliver the business of the Board in accordance with the policies framed by the Trustees.

Council are also the members of 2 statutory committees:

- **Parsonages Committee**, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each

  benefice, team vicarages and houses owned by the Board of Finance.
- **Diocesan Mission and Pastoral Committee**, which is responsible for the task of recommending pastoral reorganisation to the Bishop.

Other statutory committees include:

- **Diocesan Advisory Committee**, which advises on matters affecting church buildings and places of worship including the granting of faculties, the use and care of places of worship and their contents and the care of churchyards.
- **Southwell & Nottingham Diocesan Board of Patronage**, which is constituted under the provisions of the Patronage (Benefices) Measure 1986.

In addition to the statutory committees Bishop's Council has set up the **Finance Committee**, which has written terms of reference, to advise it on all financial matters. The Finance Committee meets regularly, approximately five times each year and works closely with the Diocesan Chief Executive and Director of Finance. The Finance Committee has decided that in order to give considered advice to the Bishop's Council and to understand the detail of diocesan finance, to set up the Audit Committee which advises the Finance Committee and thereby Bishop's Council, in the discharge of the Trustees' responsibilities for accounting policy, internal control, financial reporting and risk management.

Remuneration of Key Personnel: Emoluments of higher-paid employees are determined by a remuneration group consisting of the Chair of the House of Clergy, the Chair of the House of Laity, and the Chair of the Finance Committee. A job evaluation scheme is used to determine the salary grades of employed posts. Office holders are paid either the Diocesan stipend or that advised by the Archbishops' Council acting as the Central Stipends Authority. management.

GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that, despite the uncertainty of the economic impact of the Covid 19 virus pandemic, the Board has sufficient monetary reserves to meet all their obligations as they fall due. The trustees consider that given the level of investments and reserves held the going concern basis is appropriate.

PRINCIPAL RISKS

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

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

Risk Type	Risk	Mitigating activity
Reputational	Safeguarding & Inclusion of children and vulnerable adults: current safeguarding incident by an individual associated with the Diocese or any church in our Diocese and adverse publicity relating to safeguarding failures in the past or present.	• Safeguarding advice is provided by a dedicated Safeguarding team • Policies are aligned with those of the national church • Training is compulsory for all relevant staff and office holders
Financial	Parish Share collection is considerably less than 100%.	• Collection statistics are produced and circulated on a monthly basis to Deanery & Diocesan personnel • Deanery finance personnel are expressly tasked with identifying, reporting on and supporting those parishes where there is considered to be a significant risk of under-collection
Reputational and Financial	IT: System failure.	• The disaster recovery plan is reviewed on an annual basis • The majority of systems are held in the cloud, with backups held remotely and in house.

DISCLOSURE OF INFORMATION TO THE AUDITOR
We, the Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant information and to establish that the company's auditor is aware of that information.

In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company directors.

APPOINTMENT OF AUDITORS
The re-appointment of BHP LLP as auditor to the Board will be proposed at the Annual General Meeting.

BY ORDER OF THE TRUSTEES

+Paul Southwell and Nottingham
+Paul Southwell and Nottingham (Jun 1, 2022 16:20 GMT+1)

The Right Revd Paul Williams
Chairman
Date: 4 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

Opinion

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

In our opinion the financial statements:

1. give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;

2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

3. 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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:

1. the information given in the trustees' report (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
2. 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:

1. 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

2. the parent charitable company's financial statements are not in agreement with the accounting records and returns; or

3. certain disclosures of directors' remuneration specified by law are not made; or

4. we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

Responsibilities of trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

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:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with Trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

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

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx.
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.

Jane Marshall (Senior Statutory Auditor)
for and on behalf of
BHP LLP
2 Rutland Park
Sheffield
S10 2PD



Date: Jun 6, 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
Income and endowments from						
Donations	2					
Deanery share		5,384	-	-	5,384	5,438
Archbishops' Council		1,760	521	-	2,281	2,149
Other donations		146	-	-	146	144
Charitable activities	3	691	32	-	723	634
Other activities	4	490	1	-	491	454
Investments	5	843	211	-	1,054	1,089
Other	6	331	401	-	732	1,024
		9,645	1,166	-	10,811	10,932
Expenditure on						
Raising funds	7	335	74	-	409	404
Charitable activities	8	9,195	601	-	9,796	9,589
Clergy pension scheme movement	27	-	-	(7)	(7)	(6)
Church schools & Diocesan projects	9	-	164	-	164	151
Other	10	22	195	-	217	258
		9,552	1,034	(7)	10,579	10,396
Net income before investment gains		93	132	7	232	536
Net gains on investments		458	908	1,279	2,645	2,536
Net income		551	1,040	1,286	2,877	3,072
Transfers between funds	14	(219)	-	219	-	-
Non-controlling interest		-	9	-	9	(1)
Other recognised gains/(losses)						
Gains/(losses) from changes in financial assumptions on defined benefit pension scheme		499	-	-	499	(331)
Net movement in funds		831	1,049	1,505	3,385	2,740
Total funds brought forward		13,019	8,800	58,807	80,626	77,886
Total funds carried forward	21	13,850	9,849	60,312	84,011	80,626

All activities derive from continuing activities. A deficit of £23,305 is attributable to the non-controlling interest, with the balance of £2,585,000 attributable to the parent entity. The notes on pages 26 to 61 form part of the financial statements.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2021

	Total 2021 £'000	Total 2020 £'000
Total incoming resources	10,811	10,782
Resources expended	(10,576)	(10,402)
Operating surplus for the year	225	380
Net gains on investments	1,366	702
Net income for the year	1,591	1,082
Non-controlling interest	9	(1)
Other comprehensive income:		
Net assets transferred from/(to) endowments	(219)	(368)
(Losses)/Gains from changes in financial assumptions on defined benefit pension scheme	499	(331)
Total comprehensive income	1,880	382

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

BALANCE SHEET- COMPANY ONLY
At 31 December 2021

Company Number – 00034165

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
FIXED ASSETS					
Tangible assets	15		38,047		38,386
Investments	16		45,252		42,531
			83,299		80,917
CURRENT ASSETS					
Debtors	18	2,070		1,912	
Cash at bank and in hand		1,759		1,765	
		3,829		3,677	
CREDITORS: amounts falling due within one year	19	(1,565)		(1,770)	
NET CURRENT ASSETS			2,264		1,907
TOTAL ASSETS LESS CURRENT LIABILITIES			85,563		82,824
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities	27	(1,387)		(2,043)	
Other creditors	20	(143)		(143)	
			(1,530)		(2,186)
NET ASSETS			84,033		80,638
FUNDS					
Endowment funds		60,533		59,254	
Deficit on clergy pension scheme		(221)		(447)	
			60,312		58,807
Restricted income funds			9,784		8,725
Unrestricted income funds:					
General fund		5,331		4,500	
Designated funds		9,992		10,577	
Defined benefit pension scheme liability		(1,386)		(1,971)	
			13,937		13,106
TOTAL FUNDS	21		84,033		80,638

BALANCE SHEET- COMPANY ONLY (Continued)
At 31 December 2021

The Company Balance Sheet forms part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 4 May 2022 and signed on behalf of the Board by:

+Paul Southwell and Nottingham
+Paul Southwell and Nottingham (Jun 1, 2022 16:20 GMT+1)

The Bishop of Southwell & Nottingham
Director

Michael Arlington
Michael Arlington (Jun 5, 2022 16:04 GMT+1)

Canon M Arlington
Director

CONSOLIDATED BALANCE SHEET
At 31 December 2021

Company Number – 00034165

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
FIXED ASSETS					
Tangible assets	15		39,330		39,737
Investments	16		45,252		42,531
			84,582		82,268
CURRENT ASSETS					
Debtors	18	1,192		1,026	
Cash at bank and in hand		1,898		1,939	
		3,090		2,965	
CREDITORS: amounts falling due within one year	19	(1,555)		(1,845)	
NET CURRENT ASSETS/(LIABILITIES)			1,535		1,120
TOTAL ASSETS LESS CURRENT LIABILITIES			86,117		83,388
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities	27	(1,387)		(2,043)	
Other creditors	20	(719)		(719)	
			(2,106)		(2,762)
NET ASSETS			84,011		80,626
FUNDS					
Endowment funds		60,533		59,254	
Deficit on clergy pension scheme		(221)		(447)	
			60,312		58,807
Restricted income funds			9,849		8,800
Unrestricted income funds:					
General fund		5,244		4,413	
Designated funds		9,992		10,577	
Defined benefit pension scheme liability		(1,386)		(1,971)	
			13,850		13,019
TOTAL FUNDS	21		84,011		80,626

CONSOLIDATED BALANCE SHEET (continued)
At 31 December 2021

The Consolidated Balance Sheet forms part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 4 May 2022 and signed on behalf of the Board by:

+Paul Southwell and Nottingham
+Paul Southwell and Nottingham (Jun 1, 2022 16:20 GMT+1)

The Bishop of Southwell & Nottingham
Director

Michael Arlington
Michael Arlington (Jun 5, 2022 16:04 GMT+1)

Canon M Arlington
Director

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2021

	2021		2020	
	£000	£000	£000	£000
Net cash outflow from operating activities		(1,725)		(933)
Cash flows from investing activities				
Dividends, interest and rent from investments	1,054		1,089	
Interest paid	(9)		(9)	
Proceeds from the sale of:				
Tangible fixed assets	1,108		837	
Investment assets	4,062		8,838	
Purchase of:				
Tangible fixed assets	(488)		(956)	
Fixed asset investments	(4,043)		(7,636)	
Net cash provided by/used in investing activities		1,684		2,163
Change in cash and cash equivalents in the reporting period		(41)		1,230
Cash and cash equivalents at 1 January		1,939		709
Cash and cash equivalents at 31 December		1,898		1,939
Reconciliation of net movements in funds to net cash flow from operating activities:				
Net income/expenditure before investment gains for the year ended 31 December		232		536
Adjustments for:				
Depreciation charges		100		104
Net Profit on disposal of assets		(452)		(591)
Dividends, interest and rent from investments		(1,054)		(1,089)
FRS 102 pension scheme adjustment		(226)		(374)
Clergy pension scheme adjustment		(42)		(69)
Interest paid		9		9
Non controlling interest		9		(1)
(Increase)/Decrease in debtors		(166)		(143)
(Decrease)/Increase in creditors		(135)		685
Net cash provided used in operating activities		(1,725)		(933)
Analysis of cash and cash equivalents				
Cash in hand		1,898		1,939
		1,898		1,939

The movement in cash and cash equivalents is the same as the movement in net debt therefore no separate movement in net debt table has been included in these financial statements.

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019 and the Companies Act 2006 and Generally Accepted Accounting Practice. The financial statements consolidate the results of the Company and its two subsidiaries, Wind FX Limited and SNDBF Solar Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Board has not been presented because the Board has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Board and are rounded to the nearest £'000.

The Board constitutes a public benefit entity as defined by FRS 102. The principle 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.

Parish share, and parochial fees are included on a receipts basis except for contributions received shortly after the period end that are explicitly relating to the period under review.

The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

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. In respect of housing maintenance, the policy is only to provide for orders started before the year end. The cost of office premises and other service costs have been apportioned to departments to reflect the facilities used, the basis of apportionment being floor space or headcount.

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 are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment but not

1. ACCOUNTING POLICIES (continued)

accrued as expenditure.

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.

Pension contributions.
The Board's staff are members of the Board's defined contribution pension scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 27). The pension costs charged as resources expended represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Lay staff who are members of the stakeholder pension scheme, or have their contribution paid into their own personal pension plan are accounted for in the month in which they are deducted. Deficit funding for the pension schemes to which Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year. The Board also operates a defined benefit scheme for the Board's employees whose employment began prior to 1 April 1993. The contribution rates for this scheme are set by the actuary using the actuarial valuation every three years.

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. The primary purpose of residential property is to provide accommodation for ministers in the Diocese. The freehold properties are held at cost or deemed cost by reference to the midpoint of the applicable council tax band as determined in 1996.

Properties subject to equity (value linked) loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated at cost or deemed cost, where historic cost values prior to 1996 are not readily available. Equity loans are made to parishes and clergy spouses to enable them to purchase property on a shared equity basis. In the event of a sale of any of the houses purchased with value-linked loans, the whole, or a proportionate part, of the net sale proceeds would go to the Church Commissioners. Total value-linked loans advanced at 31 December 2021 amounted to £134,000 (2020-£134,000).

1. ACCOUNTING POLICIES (continued)

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 Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historic or deemed cost.

Land and buildings purchased during the year totalled £0.48m (2020- £0.9m). The Board's policy continues to be to replace unsuitable properties; to accommodate the changing geographical deployment of clergy within the Diocese; and to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

No value linked loan houses were sold in the current or preceding year.

d) Other tangible fixed assets

All capital expenditure over £2,000 is capitalised and depreciated as follows. 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:

Motor vehicles	25%	Straight line
Garden equipment	20%	Straight line
Computer hardware and software	33.3%	Straight line
Furniture & fittings	10%	Straight line
Other office equipment	20%	Straight line
Wind turbine	4%	Straight line
Solar panels	5%	Straight line

e) Other accounting policies

i) **Fixed asset investments** are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. Glebe agricultural land is valued at 31 December each year by Jas Martin & Co, Chartered Surveyors. Dunham House is professionally valued by Mr R Davis of Geo Hallam and Sons. For commercial property a desk top valuation is provided by the Diocesan surveyor. Some properties included in the Southwell & Nottingham Board of Education restricted fund are not valued and are shown at cost as there is no readily available market value. The financial investments are managed in accordance with the policy statements (including the statement on pooled funds which will be appropriate for funds managed on a multi asset basis) and restricted stock lists provided by the Ethical Investment Advisory Group of the Church of England. Active ownership and engagement via the Boards investment managers can drive positive change in corporate behaviour and the Board believes that this is part of being a responsible investor. The Board will take account of environmental, social and governance issues for both ethical and financial reasons.

ii) **Leases**. Operating lease rentals are charged to the Statement of Financial Activities when they are paid. The lease payments are charged straight line over the period of the lease.

f) Fund balances

Fund Balances are split between unrestricted (general and designated), restricted and endowment funds.
Unrestricted funds are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:

General funds which the Board intends to use for the general purposes of the Board.

Designated funds are those funds set aside out of unrestricted funds by the Board for a specific purpose over whose use and purpose the Board has discretion. The accumulated capital fund is the amount transferred from the general fund, gains less loss on investments and the directors' valuation of freehold property transferred at no cost. A designated fund has also been created for deficit funding in respect of the closed defined benefit pension scheme.

1. ACCOUNTING POLICIES (continued)

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

Endowment funds are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the Board (Stipends Fund Capital, Benefice Houses and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

g) Going concern

For the year ended 31 December 2021 the charitable company made an operating surplus of £232,000 and after taking account of gains and losses made an overall surplus of £3.3m. Free reserves at 31 December 2021 are £4.2m. The Board have considered the ongoing impact of COVID-19 on the charitable company's income and operating cost base. They recognise that we are still in a period of uncertainty whilst the world settles into new rhythms of working.

The Board have prepared forecasts of income and expenditure for the period to 31 December 2024 that show deficit budgets. Due to the level of free reserves and cash resources held they are confident that they have in place plans to deal with the deficit budgets and any further financial losses that may arise.

The Board therefore continue to adopt the going concern basis of preparation for these financial statements.

h) Subsidiaries

Both of the Board's trading subsidiaries are consolidated using the equity method. SNDBF Solar Limited and Wind FX Limited also have a 31 December year end. The Board own 60% of the share capital of Wind FX Limited, therefore the non-controlling interest is shown separately in reserves.

i) Debtors & 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.

j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

k) Critical accounting estimates and assumptions

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present values of Church of England Funded Pensions Scheme and the Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme both depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost(income) for

pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying value of the pension liability.
An area of key estimation uncertainty, although not a significant risk due to annual professional valuations being undertaken, is the valuation of investment land and properties. The valuations are subject to judgements of an expert including, but not limited to, the state of repair of the properties, local knowledge, future income yields and market characteristics.

l) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The charity also operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

m) Furlough income

Income claimed under the Governments Furlough Job Retention scheme is recognised in the period to which it relates, rather than the period in which it is received.

2. DONATIONS

Deanery share

The majority of donations are collected from the parishes of the diocese through the parish share system.

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Newark Archdeaconry	2,530	-	-	-	2,530	2,700
Nottingham Archdeaconry	3,404	-	-	-	3,404	3,524
Voluntary contribution	58	-	-	-	58	42
Shortfall	(615)	-	-	-	(615)	(828)
	5,377	-	-	-	5,377	5,438
Receipts for previous years	7	-	-	-	7	-
Total Income	5,384	-	-	-	5,384	5,438

Current year deanery share receipts represent 90.7% of the total apportioned (2020 – 87.3%). It should be noted that the request was reduced by £382,000 in 2021, as a way of supporting parishes after the Covid 19 Lockdowns in 2020. The deanery share calculation was reviewed during 2017 and transition provisions applied to the Deaneries which have a large disparity with the way deanery share was previously calculated.

Archbishops' Council

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Selective allocation	1,260	-	-	-	1,260	1,266
Pooling of ordinands candidates' costs	64	-	-	-	64	8
Sustainability Funding	300	-	-	-	300	250
Strategic Ministry Funding	136	-	-	-	136	23
Strategic Development Funding	-	-	521	-	521	602
	1,760	-	521	-	2,281	2,149

Other donations

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Allchurches Trust Grant	143	-	-	-	143	140
Other Grants	3	-	-	-	3	4
	146	-	-	-	146	144

3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Statutory fees	301	-	-	-	301	278
Contributions to sector and other chaplaincy posts	74	-	-	-	74	66
Contributions to costs of lay staff posts	103	-	-	-	103	104
Church Commissioners'	39	-	-	-	39	39
Loan interest receivable	9	-	-	-	9	10
Other contributions and income	165	-	32	-	197	137
	691	-	32	-	723	634

4. OTHER ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Housing income	490	-	1	-	491	454

5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Dividends receivable	209	-	158	-	367	383
Interest receivable	3	-	1	-	4	7
Rents and income from mineral rights receivable	631	-	52	-	683	699
	843	-	211	-	1,054	1,089

6. OTHER INCOME

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Sale of fixed assets	314	-	138	-	452	591
Subsidiary income	-	-	263	-	263	338
Furlough income	17	-	-	-	17	95
	331	-	401	-	732	1,024

7. FUNDRAISING COSTS

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
Glebe agent's fee	146	-	-	-	146	179
Other land agent commission and expenditure	163	-	-	-	163	138
Investment management charges	26	-	74	-	100	87
	335	-	74	-	409	404

8. CHARITABLE ACTIVITIES

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
Contributions to Archbishops' Council						
Training for Ministry	212	-	-	-	212	212
National Church responsibilities	176	-	-	-	176	185
Retired clergy housing costs	78	-	-	-	78	76
Pooling of ordinands costs	-	-	-	-	-	-
	466	-	-	-	466	473
Resourcing Ministry and Mission						
People costs						
Stipends, salaries and national insurance	4,940	-	276	-	5,216	5,230
Pension contributions	1,312	-	-	-	1,312	1,241
Housing costs	1,122	-	-	-	1,122	1,193
Removal, resettlement and other expenses	168	-	-	-	168	157
	7,542	-	276	-	7,818	7,821
Support for parish ministry	1,187	-	325	-	1,512	1,295
	8,729	-	601	-	9,330	9,116
	9,195	-	601	-	9,796	9,589

9. EXPENDITURE ON CHURCH SCHOOLS & DIOCESAN PROJECTS

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on Education						
Support for church schools	-	-	164	-	164	151
	-	-	164	-	164	151

10. OTHER EXPENDITURE

	Unrestricted funds		Restricte	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Audit Fees- audit	18	-	-	-	18	18
Audit Fees- non-audit	4	-	-	-	4	4
Subsidiary expenses	-	-	195	-	195	236
	22	-	195	-	217	258

11. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs 2021 £'000	Total costs 2020 £'000
Fundraising costs	409	-	-	409	404
Charitable activities:					
Contributions to Archbishop's Council	-	466	-	466	473
Clergy pension scheme movement	(7)	-	-	(7)	(6)
Resourcing ministry and mission	8,790	518	18	9,326	9,112
Church Schools and Diocesan projects	-	164	3	167	154
Governance costs	-	-	1	1	1
Other	217	-	-	217	258
	9,409	1,148	22	10,579	10,396

Where costs cannot be directly attributed to particular headings, they have been allocated or apportioned to activities on a basis consistent with the use of the resources. Central support costs are apportioned on the basis of the estimated usage of resources at Jubilee House. Governance costs comprise audit fees, costs relating to the preparation of the statutory returns and the costs of hosting Diocesan Synod.

The apportionment in 2021 can be summarised as follows:

Resourcing ministry and mission 82.08%
Church Schools 13.92%
Diocesan Projects 1.92%
Governance 2.08%

12. ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institutions £'000	2021 Total £'000	2020 Total £'000
From unrestricted funds for National Church responsibilities:					
Contributions to Archbishop's Council	1	-	-	466	473
From unrestricted funds:					
Refugee Roots	1		21	21	21
Clergy	27	63	-	63	78
Ordinands in training	197	280	-	280	227
Transforming Notts Together	2	-	25	25	15
From restricted funds for various purposes within resourcing parish ministry:					
Growing Disciples/New Worshipping Community Grants	22	-	128	128	50
Perry Gift	2	1	-	1	3
Total	252	344	174	984	867

13. STAFF COSTS

	2021 £'000	2020 £'000
Employee costs during the year were as follows:		
Salaries and stipends	1,542	1,586
National insurance contributions	145	154
Pension costs		
Church of England Funded Pension scheme (2021 – 7 employees, 2020 - 7 employees)	60	51
Defined Benefit scheme (2021- 1 employee, 2020 - 1 employee)	52	99
Defined contribution schemes (2021 – 53 employees, 2020 - 57 employees)	129	133
	1,928	2,023

The average number of persons employed by the group during the year:

	Number	Number
Administration and financial management	32	33
Property	4	4
Discipleship & Ministry, Stewardship	14	17
Education	8	8
Communications	3	3
	61	65

The average number of persons employed by the group during the year based on full-time equivalents:

	Number	Number
Administration and financial management	21.40	19.74
Property	3.40	3.50
Discipleship & Ministry, Stewardship	14.10	15.53
Education	6.06	5.20
Communications	.63	2.50
	45.59	46.47

The number of people employed by the Board now include some posts that were previously funded by way of grant or contribution to a third party.

13. STAFF COSTS (continued)

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

Pension payments of £14,280 (2020: £6,362) were made for these employees.

Remuneration of key management personnel

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

Diocesan Chief Executive and Company Secretary	Mr M Cooper
Director of Discipleship & Ministry	Revd Canon Dr R Kellett
Director of Partnerships & Mission	Revd D McCoulough
Director of Education & Mission	Mr N Frith
Director of Communications	vacant
Director of Parish Support	Mr F McNish (resigned 31 August 2021)
Director of Finance	Mrs R Bowes

Remuneration, including employers' NI and employers' pension contributions for these 6 (2020 : 7) employees amounted to £379,444 (2020: £444,763).

Directors' emoluments

No Director received any remuneration for services as Director. 6 Directors received travelling and out of pocket expenses, totalling £4,632 (2020 -7 Directors- £12,127) in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Directors.

13. STAFF COSTS (continued)

The following table gives details of the stipendiary Directors, including those who were in receipt of a stipend and/or housing provided by the Board during the year:

	Stipend	Housing
The Right Revd P Williams	No	No
The Right Revd A Emerton	No	Yes
The Ven V Ramsey (appointed 8 June 2021)	Yes	Yes
The Ven P Williams	Yes	Yes
The Revd A Fletcher (resigned 29 September 2021)	Yes	Yes
The Revd Canon M F Shouler (resigned 29 September 2021)	Yes	Yes
The Revd S Hustwayte	Yes	Yes
The Revd Canon S D Silvester	Yes	Yes
The Revd C Bourne (resigned 29 September 2021)	Yes	Yes
The Revd L Lima (appointed 29 September 2021)	Yes	Yes
The Revd P Shaw (appointed 29 September 2021)	Yes	Yes
The Revd Canon M Tanner (appointed 29 September 2021)	Yes	Yes
The Revd Z Burton (appointed 29 September 2021)	Yes	Yes

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

The Board paid an average of 118 (2020 –124) stipendiary clergy as officeholders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

		2021 £'000	2020 £'000
Stipends		3,179	3,256
National insurance contributions & Apprenticeship levy		273	277
Pension costs	- current year	963	544
	- deficit reduction	220	375
		4,635	4,452

The annual rate of stipend, funded by the Board, paid to Archdeacons in 2021 was in the range £36,100 - £38,000 (2020 range £36,100 – £38,000) and other clergy who were Trustees were paid in the range £25,265 - £26,979 (2020 range £25,265 – £26,979).

14. TRANSFERS BETWEEN FUNDS

A transfer from the general fund of £219,000 has been made to the Clergy pension fund within endowment funds for the costs incurred in the year.

15. TANGIBLE FIXED ASSETS - Company

	Freehold Houses (see below) £'000	Diocesan Office & caretakers' bungalow £'000	Office Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2021	34,501	3,809	512	-	38,822
Additions	485	-	3	-	488
Disposals	(795)	-	-	-	(795)
At 31 December 2021	34,191	3,809	515	-	38,515
Depreciation					
At 1 January 2021	-	27	409	-	436
Charge for the year	-	-	32	-	32
Disposals	-	-	-	-	-
At 31 December 2021	-	27	441	-	468
Net Book Value					
At 31 December 2021	34,191	3,782	74	-	38,047
At 31 December 2020	34,501	3,782	103	-	38,386

15. TANGIBLE FIXED ASSETS - company (continued)

	2021		2020	
	Cost or deemed cost £'000	Number of houses	Cost or deemed cost £'000	Number of houses
Endowment funds				
Benefice houses fund				
Parsonage houses	17,858	125	17,832	125
Glebe funds				
Housing of team vicars, curates & others	8,751	44	8,751	44
Retirement houses	40	1	40	1
Unrestricted (designated) funds				
Corporate property				
City Centre Resource Church	1,498	1	1,498	1
Housing of senior clergy, curates and others	5,904	22	6,240	24
Houses subject to value-linked loans				
Housing of curates and others	140	3	140	3
	34,191	196	34,501	198

Diocesan offices include the caretaker's bungalow situated in the grounds of Dunham House and amounts capitalised as part of the Jubilee House office build shown at cost. There is no reliable market value, but a valuation of both Jubilee House and the bungalow would be greater than historic cost. Dunham House is held in investment properties as it has been converted to 7 apartments for rental. A professional year end valuation has been obtained from Mr G Davis from the Board's property agent, whom is an independently qualified surveyor. Dunham House is valued on a freehold market value basis.

All of the freehold houses included above are freehold and are vested in the Board, except for benefice houses which are vested in the incumbent. The Board is not free to dispose or encumber these properties as it sees fit, as they are to be used for clergy housing. They are carried at cost or deemed cost and in the opinion of the Directors, the carrying value of land and buildings is less than the market value. The costs of revaluation are considered to outweigh the benefits to the reader of the accounts. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £140,000 (2020: £140,000). Of the total land and buildings at 31 December 2021, £14.3m are valued at cost (2020: £14.5m), with the rest at deemed cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

15. TANGIBLE FIXED ASSETS – Group

	Freehold Houses £'000	Diocesan Office & caretakers' bungalow £'000	Office Equipment £'000	Motor Vehicles £'000	Wind Turbine & solar panels £'000	Total £'000
Cost						
At 1 January 2021	34,501	3,809	512	-	1,690	40,512
Additions	485	-	3	-	-	488
Disposals	(795)	-	-	-	-	(795)
At 31 December 2021	34,191	3,809	515	-	1,690	40,205
Depreciation						
At 1 January 2021	-	27	409	-	339	775
Charge for the year	-	-	32	-	68	100
Disposals	-	-	-	-	-	-
At 31 December 2021	-	27	441	-	407	875
Net Book Value						
At 31 December 2021	34,191	3,782	74	-	1,283	39,330
Net Book Value						
At 31 December 2020	34,501	3,782	103	-	1,351	39,737

16. FIXED ASSET INVESTMENTS – COMPANY & GROUP

	At 1 January 2021	Additions at cost	Disposals	Unrealised gains/losses	At 31 December 2021
Listed investment securities	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Restricted funds	8,154	301	(315)	406	8,546
Endowment funds	5,992	925	(965)	405	6,357
Unrestricted funds	3,166	2,817	(2,940)	1,392	4,435
	17,312	4,043	(4,220)	2,203	19,338
Unlisted investment securities					
Restricted funds	70	-	-	16	86
Endowment funds	3,214	-	42	334	3,590
Unrestricted funds	820	-	-	143	963
	4,104	-	42	493	4,639
Cash held for investment purposes					
Restricted funds	27	-	-	3	30
Endowment funds	369	-	-	-	369
Unrestricted funds	1,163	-	234	(5)	1,392'
	1,559	-	234	(2)	1,791
Investment properties					
Restricted funds	-	-	-	-	-
Endowment funds	18,009	-	(23)	(79)	17,907
Unrestricted funds	1,547	-	-	30	1,577
	19,556	-	(23)	(49)	19,484
Total	42,531	4,043	(3,967)	2,645	45,252

Due to their nature the historic cost of investment properties is not known. Included in the above are the following unrealised gains -Endowment funds £1,551,902 (2020 - £1,081,608) Restricted funds £1,637,915 (2020 - £721,696) and unrestricted funds £3,093,896 (2020 - £1,430,176).

17. SUBSIDIARIES

The Diocesan Board of Finance has two trading subsidiaries; Wind FX Limited is incorporated in the United Kingdom (company number 09601836) and is 60% owned by the Board. Wind FX Limited was incorporated on 20 May 2015 and the Board acquired its shares on 4 December 2015. SNDBF Solar Limited is incorporated in the United Kingdom (company number 09792284) and was incorporated on 23 September 2015, and the shares were acquired on the same date. Both companies operate in the renewable energy sector.

The summary financial performance of the subsidiaries alone are:	Wind FX Limited 2021 £'000	SNDBF Solar Limited 2021 £'000
Turnover	241	21
Expenses	264	17
Net (Loss)/Profit	(23)	4
The assets and liabilities of the subsidiaries alone are:		
Fixed assets	1,125	158
Current Assets	289	140
Current liabilities	(5)	(228)
Provisions	(81)	(24)
Long term liabilities	(1,441)	-
Net (liabilities)/assets	(113)	46
Represented by		
Share Capital		
Reserves	(113)	46

Both subsidiaries have taken advantage of exemption from audit under section 479A Companies Act 2006.

18. DEBTORS

	GROUP 2021 £'000	COMPANY 2021 £'000	GROUP 2020 £'000	COMPANY 2020 £'000
Due within one year				
Current year Parish share	71	71	44	44
Loans to parishes	25	25	11	11
Rent debtors	124	124	126	126
Other debtors	812	596	647	355
Amounts due from subsidiary	-	3	-	87
Prepayments	70	70	68	68
	1,102	889	896	691
Due after more than one year				
Loans to parishes	90	90	130	130
Amounts due from subsidiary	-	1,091	-	1,091
	90	1,181	130	1,221
Total debtors	1,192	2,070	1,026	1,912

19. CREDITORS: amounts falling due within one year

	GROUP 2021 £'000	COMPANY 2021 £'000	GROUP 2020 £'000	COMPANY 2020 £'000
Bank overdraft	-	-	-	-
Mission development fund grants	31	31	31	31
Other taxes and social security	-	-	44	44
Other creditors and accruals	1,304	1,193	1,395	1,218
Amounts owed to subsidiaries	-	121	-	102
Clergy pension scheme	220	220	375	375
Total creditors: amounts falling due within one year	1,555	1,565	1,845	1,770

20. CREDITORS: amounts falling due after more than one year

	GROUP 2021 £'000	COMPANY 2021 £'000	GROUP 2020 £'000	COMPANY 2020 £'000
Loan repayment instalments due after more than one year				
Church Commissioners value-linked loans	134	134	134	134
Sundry creditors				
Shareholder loans	576	-	576	-
Southwell & Nottingham Board of Education	1	1	1	1
Loan with the Central Board of Finance – interest free	8	8	8	8
	719	143	719	143
Pension scheme liabilities	1,387	1,387	2,043	2,043
Total creditors: amounts falling due after more than one year	2,106	1,530	2,762	2,186

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. Interest at the time of the advance is at the rate of 4% per annum (3% per annum on loans advanced on or before 31 December 1992) rising annually by the increase in the Retail Prices Index. As the date of disposal of the property is not known, the analysis of the date due cannot be calculated.

CREDITORS: amounts falling due after more than one year

	GROUP 2021 £'000	COMPANY 2021 £'000	GROUP 2020 £'000	COMPANY 2020 £'000
The maturity of the above loans may be analysed as follows:				
Between one and two years	32	9	32	9
Between two and five years	118	-	118	-
In five years or more	569	134	569	134
	719	143	719	143

21. SUMMARY OF FUND MOVEMENTS - GROUP

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2021 £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses fund	17,632	-	-	226	-	17,858
Stipends fund capital	37,275	-	-	(226)	606	37,655
Parsonages capital	163	-	-	-	24	187
Clergy pension fund deficit	(447)	-	7	219	-	(221)
Permanent funds						
Stipends	1,457	-	-	-	231	1,688
Bramcote Bungalows	944	-	-	-	150	1,094
Haseldine Homes	551	-	-	-	80	631
Perry Gift Fund	758	-	-	-	119	877
Other permanent endowment funds	474	-	-	-	69	543
	58,807	-	7	219	1,279	60,312
RESTRICTED FUNDS						
Diocesan Board of Education	8,085	245	(307)	-	870	8,893
Pastoral Account	89	137	(11)	-	6	221
Strategic Development funding	-	521	(521)	-	-	-
Other restricted income funds	551	-	-	-	32	583
Non-Controlling interest	75	263	(195)	-	9	152
	8,800	1,166	(1,034)	-	917	9,849
UNRESTRICTED FUNDS						
General Fund	4,413	9,645	(9,638)	366	458	5,244
Designated reserves						
Accumulated Capital	8,498	-	-	-	-	8,498
Mission Development fund	108	-	-	-	-	108
Closed pension scheme deficit funding	1,971	-	-	(585)	-	1,386
Defined benefit pension scheme liability	(1,971)	-	86	-	499	(1,386)
	13,019	9,645	(9,552)	(219)	957	13,850
TOTAL	80,626	10,811	(10,579)	-	3,153	84,011

21. SUMMARY OF FUND MOVEMENTS - GROUP (prior year)

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2020 £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses	17,632	-	-	-	-	17,632
Stipends fund capital	35,780	150	-	-	1,345	37,275
Parsonages capital	144	-	-	-	18	162
Clergy pension fund deficit	(821)	-	6	368	-	(447)
Permanent funds						
Stipends	1,293	-	-	-	164	1,457
Bramcote Bungalows	837	-	-	-	107	944
Haseldine Homes	495	-	-	-	56	551
Perry Gift Fund	673	-	-	-	85	758
Other permanent endowment funds	416	-	-	-	59	475
	56,449	150	6	368	1,834	58,807
RESTRICTED FUNDS						
Diocesan Board of Education	7,786	147	(178)	-	330	8,085
Pastoral Account	130	-	(41)	-	-	89
Strategic Development funding	-	602	(602)	-	-	-
Other restricted income funds	437	171	(67)	-	10	551
Non-Controlling interest	61	251	(236)	-	(1)	75
	8,414	1,171	(1,124)	-	339	8,800
UNRESTRICTED FUNDS						
General Fund						
Designated reserves	4,417	9,611	(9,347)	(630)	362	4,413
Accumulated Capital	8,498	-	-	-	-	8,498
Mission Development Fund	108	-	-	-	-	108
Closed Pension scheme Deficit funding	1,709	-	-	262	-	1,971
Defined benefit pension scheme liability	(1,709)	-	69	-	(331)	(1,971)
	13,023	9,611	(9,278)	(368)	31	13,019
TOTAL	77,886	10,932	(10,396)	-	2,204	80,626

21. SUMMARY OF FUND MOVEMENTS - COMPANY

	Balances at 1 January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2021 £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses fund	17,632	-	-	226	-	17,858
Stipends fund capital	37,275	-	-	(226)	606	37,655
Parsonages capital	162	-	-	-	24	186
Clergy pension fund deficit	(447)	-	7	219	-	(221)
Permanent funds						
Stipends	1,457	-	-	-	231	1,688
Bramcote Bungalows	944	-	-	-	150	1,094
Haseldine Homes	551	-	-	-	80	631
Perry Gift Fund	758	-	-	-	119	877
Other permanent endowment funds	475	-	-	-	69	544
	58,807	-	7	219	1,279	60,312
RESTRICTED FUNDS						
Diocesan Board of Education	8,085	245	(307)	-	870	8,893
Trading Subsidiary income	-	87	-	-	-	87
Pastoral Account	89	137	(11)	-	6	221
Strategic Development funding	-	521	(521)	-	-	-
Other restricted income funds	551	-	-	-	32	583
	8,725	990	(839)	-	908	9,784
UNRESTRICTED FUNDS						
General fund	4,500	9,645	(9,638)	366	458	5,331
Designated reserves						
Accumulated Capital	8,498	-	-	-	-	8,498
Mission Development	108	-	-	-	-	108
Closed Pension scheme deficit funding	1,971	-	-	(585)	-	1,386
Defined benefit pension scheme	(1,971)	-	86	-	499	(1,386)
	13,106	9,645	(9,552)	(219)	957	13,937
TOTAL	80,638	10,635	(10,384)	-	3,144	84,033

21. SUMMARY OF FUND MOVEMENTS -COMPANY (prior year)

	Balances at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2020 £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses fund	17,632	-	-	-	-	17,632
Stipends fund capital	35,780	150	-	-	1,345	37,275
Parsonages capital	144	-	-	-	18	162
Clergy pension fund deficit	(821)	-	6	368	-	(447)
Permanent funds						
Stipends						
Bramcote Bungalows	1,293	-	-	-	164	1,457
Haseldine Homes	837	-	-	-	107	944
Perry Gift Fund	495	-	-	-	56	551
Other permanent endowment funds	673	-	-	-	85	758
	416	-	-	-	59	475
	56,449	150	6	368	1,834	58,807
RESTRICTED FUNDS						
Diocesan Board of Education Trading Subsidiary Income						
Mission Development Fund	7,786	147	(178)	-	330	8,085
Pastoral Account	-	-	-	-	-	-
Strategic Development funding	130	-	(41)	-	-	89
Other restricted income funds	-	602	(602)	-	.-	-
	437	171	(67)	-	10	551
	8,353	920	(888)	-	340	8,725
UNRESTRICTED FUNDS						
General fund						
Designated reserves	4,504	9,611	(9,347)	(630)	362	4,500
Accumulated Capital	8,498	-	-	-	-	8,498
Mission Development Fund	108	-	-	-	-	108
Closed Pension scheme deficit funding	1,709	-	-	262	-	1,971
Defined benefit pension scheme	(1,709)	-	69	-	(331)	(1,971)
	13,110	9,611	(9,278)	(368)	31	13,106
TOTAL	77,912	10,681	(10,160)	-	2,205	80,638

22. GROUP

SUMMARY OF ASSETS BY FUND - CURRENT YEAR	Fixed assets Tangible & Intangible	Investments	Current Assets	Creditors	Net Assets
	£'000	£'000	£'000	£'000	£'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,858	-	-	-	17,858
Stipend fund capital	10,627	27,028	-	-	37,655
Parsonages capital	-	187			187
Clergy Pension fund deficit	-	-	-	(221)	(221)
Permanent endowment funds	30	4,465	338	-	4,833
	28,515	31,680	338	(221)	60,312
Restricted					
Diocesan Board of Education	-	7,620	1,889	(616)	8,893
Pastoral account	-	-	221	-	221
Other restricted income funds	1,283	222	(120)	(650)	735
	1,283	7,842	1,990	(1,266)	9,849
Unrestricted funds					
General fund	1,034	5,622	(602)	(788)	5,552
Designated funds					
Accumulated capital	8,498	-	-	-	8,498
Other designated funds	-	108	1,386	-	1,494
Pension reserve	-	-	-	(1,386)	(1,386)
	9,532	5,730	762	(2,174)	13,850
Total funds at 31 December 2021	**39,330**	**45,252**	**3,090**	**(3,661)**	**84,011**

GROUP SUMMARY OF ASSETS BY FUND – PRIOR YEAR	Fixed assets Tangible & Intangible	Investments	Current Assets	Creditors	Net Assets
	£'000	£'000	£'000	£'000	£'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,632	-	-	-	17,632
Stipend fund capital	11,192	26,083	-	-	37,275
Parsonages capital	-	162	-	-	162
Clergy Pension fund deficit	-	-	-	(447)	(447)
Permanent endowment funds	30	3,825	330	-	4,185
	28,854	30,070	330	(447)	58,807
Restricted					
Diocesan Board of Education	-	7,214	1,424	(553)	8,085
Pastoral account	-	-	89	-	89
Other restricted income funds	1,351	-	(75)	(650)	626
	1,351	7,214	1,438	(1,203)	8,800
Unrestricted funds					
General fund	1,034	5,139	(774)	(986)	4,413
Designated funds					
Accumulated capital	8,498	-	-	-	8,498
Other designated funds	-	108	1,971	-	2,079
Pension reserve	-	-	-	(1,971)	(1,971)
	9,532	5,247	1,197	(2,957)	13,019
Total funds at 31 December 2020	**39,737**	**42,531**	**2,965**	**(4,607)**	**80,626**

22. COMPANY

SUMMARY OF ASSETS BY FUND - CURRENT YEAR	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,858	-	-	-	17,858
Stipend fund capital	10,627	27,028	-	-	37,655
Parsonages capital	-	186			186
Clergy Pension fund deficit	-	-	-	(221)	(221)
Permanent endowment funds	30	4,464	338	-	4,834
	28,515	31,680	338	(221)	60,312
Restricted					
Diocesan Board of Education	-	7,620	1,889	(616)	8,893
Pastoral account	-	-	221	-	221
Other restricted income funds	-	222	448	-	670
	-	7,842	2,558	(616)	9,784
Unrestricted funds					
General fund	1,034	5,622	(453)	(872)	5,331
Designated funds					
Accumulated capital	8,498	-	-	-	8,498
Other designated funds	-	108	1,386	-	1,494
Pension reserve	-	-	-	(1,386)	(1,386)
	9,532	5,730	933	(2,258)	13,937
Total funds at 31 December 2021	**38,047**	**45,252**	**3,829**	**(3,095)**	**84,033**

COMPANY SUMMARY OF ASSETS BY FUND – PRIOR YEAR	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,632	-	-	-	17,632
Stipend fund capital	11,192	26,083	-	-	37,275
Parsonages capital	-	162	-	-	162
Clergy Pension fund deficit	-	-	-	(447)	(447)
Permanent endowment funds	30	3,825	330	-	4,185
	28,854	30,070	330	(447)	58,807
Restricted					
Diocesan Board of Education	-	7,214	1,424	(553)	8,085
Pastoral account	-	-	89	-	89
Mission development fund	-	-	551	-	551
Other restricted income funds	-	7,214	2,064	(553)	8,725
Unrestricted funds					
General fund	1,034	5,139	(688)	(985)	4,500
Designated funds					
Accumulated capital	8,498	-	-	-	8,498
Other designated funds	-	108	1,971	-	2,079
Pension reserve	-	-	-	(1,971)	(1,971)
	9,532	5,247	1,283	(2,956)	13,106
Total funds at 31 December 2020	**38,386**	**42,531**	**3,677**	**(3,956)**	**80,638**

23. DESCRIPTION OF FUNDS

Expendable Endowment Funds – investment income is usable only for the specific purposes for which the endowment was given and the trustees may convert the capital into spendable income depending on various restrictions:

Benefice houses fund	represents the value of benefice houses at the balance sheet date together with the Parsonages Building funds held by the Church Commissioners. These houses are used to provide accommodation for parochial clergy. The Board is not free to dispose of the houses except in accordance with appropriate measures.
Stipends fund capital (Glebe funds)	represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The funds generate income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.
Parsonages Capital	the income to be applied to meet personage houses costs.
Clergy pension fund deficit	details contained in note 27

Permanent Endowment Funds – investment income only is usable for the specific purposes for which the endowment was given:

Stipends	to augment clergy stipends.
Bramcote Bungalows	to provide housing for retired clergy or their spouses.
Haseldine Homes	to contribute to the payment of pension contributions for stipendiary clergy in the diocese.
Perry Gift Fund	to provide grants to clergy and lay persons deserving of financial assistance.

23. DESCRIPTION OF FUNDS

Other Permanent Endowment Funds

Ministers in training	to provide grants to ministers in training.
Miss E L Brown Trust	to be applied at the discretion of the Bishop of Southwell.
Nottingham University Chaplaincy	to pay the expenses of the Nottingham University chaplaincy.
Sacrista Canonry	to be applied for the Canon appointed to occupy the stall of the Canonry of Sacrista in Southwell Minister.
Southwell House/Hostel Charity	to be applied to property outgoings.
Yapp Donation	to be applied for a former employee's annuity, with any surplus to be used for the benefit of persons who are physically or mentally handicapped.

Restricted Funds – can only be used for the specific purposes for which they were given:

Diocesan Board of Education	to administer the scheme for the Diocese's Church Schools' building programme and to operate for the benefit of Church Schools.
Pastoral account	set up under the provisions of the Pastoral Measure 1983 and represents proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983.
Strategic Development Fund	represents sums of money made available by the Archbishop's Council set aside for mission development.
Landon Bequest	to fund Church of England students and Ordinands to serve overseas.
Natal Link Fund	represents donations from parishes and individuals for general work and specific projects in the Diocese of Natal.
Readers Association	to meet central costs for Readers.
Industrial Chaplaincies	to meet central costs for industrial chaplaincies.

23. DESCRIPTION OF FUNDS

Designated Funds – general funds that the Trustees have chosen to use for a specific purpose:

Accumulated Capital Fund	represents amounts transferred from the general fund, gains less losses on investments and the directors' valuation of property transferred at no cost. This fund is designated for use to purchase fixed assets.
Mission Development Fund	Amounts in addition to the restricted fund set aside for Mission Development.
Closed Pension Fund Deficit Funding	amounts transferred from the general fund to meet future deficit contributions.

General fund - the general fund is the Board's unrestricted undesignated fund available for any of the Board's purposes without restriction.

24. CAPITAL COMMITMENTS

At 31 December 2021 the Group had capital expenditure commitments authorised but not contracted for of £NIL (2020 - £NIL) and contracted for but not yet due of £ 10,000 (2020 - £36,207).

25. OPERATING LEASES

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

	GROUP 2021 £'000	COMPANY 2021 £'000	GROUP 2020 £'000	COMPANY 2020 £'000
Other operating leases where the lease expires:				
Within one year of the balance sheet date	27	-	29	2
In the second to fifth years inclusive of the balance sheet date	100	-	100	-
Over five years from the balance sheet date	400	-	425	-
	527	-	554	2

25. OPERATING LEASES (continued)

Analysed as follows	GROUP 2021	COMPANY 2021	GROUP 2020	COMPANY 2020
Land & Buildings	£'000	£'000	£'000	£'000
Other operating leases where the lease expires:				
Within one year of the balance sheet date	27	-	27	-
In the second to fifth years inclusive of the balance sheet date	100	-	100	-
Over five years from the balance sheet date	400	-	425	-
	527	-	552	-

	GROUP 2021	COMPANY 2021	GROUP 2020	COMPANY 2020
Other	£'000	£'000	£'000	£'000
Other operating leases where the lease expires:				
Within one year of the balance sheet date	-	-	2	2
In the second to fifth years inclusive of the balance sheet date	-	-	-	-
Over five years from the balance sheet date	-	-	-	-
	-	-	2	2

26. CONTINGENT LIABILITIES

The Board has given guarantees on grants made by Nottingham City Council from public funds to various parishes totalling £2,075 (2020 -£4,150). The Board is also party to a guarantee in respect of Bluecoat Academy, as in common with all Church of England schools, the Board owns the land the school building is built upon.

27. PENSIONS

The Board participates in two pension schemes, both of which hold the assets of the schemes separately from those of the Board and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy, the other is The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme for lay staff.

Church of England Funded Pension Scheme

This scheme is administered by the Church of England Pensions Board. Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

27. PENSIONS (continued)

Church of England Funded Pension Scheme (continued)

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2021 £1,018,515, 2020 £912,000) plus the impact of deficit contributions (see below).

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

- An average discount rate of 3.2%pa
- RPI inflation of 3.4% pa (and pension increases consistent with this)
- Increase in pensionable stipends of 3.4% pa
- mortality in accordance with 95% of the S3NA_VL tables, with allowance for future improvements in mortality rates in line with the CMI2018 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5%pa.

From January 2018 to 31 December 2022 the rate in respect of the deficit recovery will be 11.9%. From January 2021 to December 2022 the rate will be 7.1%. The discounted deficit payments in respect of the shortfall have been recognised as a liability in the balance sheet.

A reconciliation of the balance sheet liability is set out below:

	GROUP& COMPANY 2021 £'000	GROUP& COMPANY 2020 £'000
Balance sheet liability as at 1 January	447	821
Contributions paid	(220)	(375)
Interest cost (recognised in the SOFA)	1	7
Re-measurement of the balance sheet liability	(7)	(6)
Balance sheet liability as at 31 December	221	447

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

	December 2021	December 2020	December 2019
Discount rate	0.0%	0.2%	1.1% pa
Price inflation	n/a	3.1%	2.8% pa
Increase to total pensionable payroll	-1.5%	1.6%	1.3%pa

27. PENSIONS (continued)

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

Recognition of the liability to fund pension fund deficits on defined benefit pension schemes

FRS 102 requires an entity that has entered into an agreement to reduce the historic deficit on a multi-employer pension scheme, to recognise the liability in accordance with FRS 102 section 28.13 and 28.13A. The Board has a payment plan with the Church of England Pension's Board to pay the Clergy Pension Scheme deficit over a ten-year period (until 2022). Upon transition, the Board has recognised the present value of deficit funding contributions. As at 31 December 2021, this amounted to £221,000 for the Clergy Pension Scheme (2020: £447,000).

The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme- Defined Benefits Scheme

The Board operates a defined benefit pension scheme in respect of eligible employees whose employment began on or before 1st April 1993. The Board is required to follow Financial Reporting Standard 102 in disclosing the financial position of the scheme. The trustees of the scheme are required to act in the best interests of the Scheme's beneficiaries. The Scheme Trust Deed requires that one trustee be appointed from amongst the active members of the scheme - a member-nominated trustee. One trustee is appointed from amongst the membership of Bishop's Council (the Board of Directors) and the third and final trustee is the officeholder of the post of Chief Executive of the Board of Finance.

The contribution is determined by a qualified actuary on the basis of triennial valuations using the 'Attained Age Method' and the most recent valuation was at 31st March 2017. During the year the Board paid contributions of £109,000 (2020 - £123,000). The Board's agreed future contribution rate equates to 34% of pensionable salaries (previously 24%) and member employees contribute 5% to the Scheme.

The annual contribution to the scheme is charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Board.

	2021	2020
The main financial assumption are		
	Basis	Basis
Discount rate	1.8%	1.20%
Inflation (RPI)	3.5%	3.40%
Inflation (CPI)	2.5%	2.40%
Pension increases	3.5%	3.40%
Salary increases	3.4%	3.30%

From 1 January 2019 the assets are invested with Schroders with 75% in equities and 25% in bonds.

The overall expected return on assets assumption has been determined with reference to the underlying asset allocation on the assets held and the expected long-term rate of return on those asset classes at the year end. The assets do not include any investment in the Board. The fair value of the assets at 31 December 2021 is £3,753,000 (2020- £3,433,000).

27. PENSIONS (continued)

Amounts recognised in the Statement of Financial Activities:

	2021 £000	2020 £000
Current service (cost)	-	(19)
Interest (cost)	(64)	(104)
Administration costs	-	-
Interest on assets	41	69
	(23)	(54)

Reconciliation of assets and defined benefit obligations:

Fair Value of assets:	£000	Defined benefit obligations:	£000
As at 1 January 2021	3,433	As at 1 January 2021	5,404
Interest on assets	41	Current service costs	-
Employer contributions	109	Contributions by Scheme participants	-
Contributions by Scheme participants	-	Interest cost	64
Benefits paid	(157)	Benefits paid	(157)
		Experience loss on liabilities	251
		Changes to demographic assumptions	-
Return on plan assets less interest	327	Changes to financial assumptions	(423)
As at 31 December 2021	**3,753**	As at 31 December 2021	**5,139**
Net liability			£1,386

Scheme deficit funding of £1,386,000 has been set aside in a designated fund.

Summary of pension liabilities	2021 £000	2020 £000
Church of England Pension scheme	221	447
SNDBF Retirement Scheme	1,386	1,971
	1,607	2,418
Included in:		
Current liabilities	220	375
Long term liabilities	1,387	2,043
	1,607	2,418

28. PRIOR YEAR COMPARATIVE CONSOLIDATED SOFA

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
Income and endowments from					
Donations	2				
Deanery share		5,438	-	-	5,438
Archbishops' Council		1,547	602	-	2,149
Other donations		143	1	-	144
Charitable activities	3	633	1	-	634
Other activities	4	452	2	-	454
Investments	5	862	227	-	1,089
Other	6	536	338	150	1,024
		9,611	1,171	150	10,932
Expenditure on					
Raising funds	7	340	64	-	404
Charitable activities	8	8,916	673	-	9,589
Clergy pension scheme movement	27	-	-	(6)	(6)
Church schools & Diocesan projects	9	-	151	-	151
Other	10	22	236	-	258
		9,278	1,124	(6)	10,396
Net income/(expenditure) before investment gains		333	47	156	536
Net gains on investments		362	340	1,834	2,536
Net income/(expenditure)		695	387	1,990	3,072
Transfers between funds	14	(368)	-	368	-
Non-controlling interest		-	(1)	-	(1)
Other recognised gains/(losses)					
Gains/(losses) from changes in financial assumptions on defined benefit pension scheme		(331)	-	-	(331)
Net movement in funds		(4)	386	2,358	2,740
Total funds brought forward		13,023	8,414	56,449	77,886
Total funds carried forward	21	13,019	8,800	58,807	80,626

29. RELATED PARTY TRANSACTIONS

Church Urban Fund (CUF) Joint Venture

The Board of Finance and CUF are the founding members of a subsidiary of CUF, "Transforming Notts Together", which is a charitable company limited by guarantee and in partnership between the Board of Finance and CUF. There are 9 directors of which 4 are appointed by the Board of Finance, including the Chair, Revd David McCoulough who is also an employee of the Board of Finance. He also has oversight of the work of nine part time staff who are employed by Transforming Notts Together. TNT paid the Board £111,206 (2020- £84,490) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2021 was £11,996 (2020-£26,348).

The Diocese of Southwell & Nottingham Education Trust

This Charity has been set up in response to the likely challenge of a large number of Church of England Schools converting or otherwise becoming Church of England Academies under the Academies Act 2010. The Charity will perform a role in the Diocese in supporting Church of England Academy Trusts to fulfil their responsibilities in relation to their schools/academies and as a member of each of the Church of England Academy Trusts also to challenge and to hold governors to account in this regard. The Charity is also intended to operate as a sponsor or co-sponsor of Church of England Academies in the Diocese and elsewhere as required. The Trustees are Ian Griffiths, Revd Canon Mark Tanner, John Loughton, Martin Cooper and the Diocesan Director of Education. There were no transactions in the financial year.

The Diocese of Southwell & Nottingham Multi Academy Trust

The company was set up in August 2013 and is a limited by guarantee without share capital. The company houses the church schools which have converted to Academy status. The directors are Ian Griffiths, Roger Periam, Hilary Craik, Chris Moodie, Angela Pae, John Hunter, Joanne Saville, and Nigel Frith. The Multi Academy Trust paid the Board £38,749 (2020- £19,966) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2021 was £13,126 (2020-£NIL).

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 of Finance to support the furtherance of the Board of Finance's objects.

Other related parties

Canon M Arlington, Chair of the Finance Committee is a Governor of the Samworth Church Academy in Mansfield. The balance outstanding at 31 December 2021 was £8,307 (2020-£8,261). Transactions during the year were £33,087 (2020-£32,880) in respect of reimbursement for salaries and expenses. Mr N Frith rented a Diocesan property in the year and paid an arms length market rent of £12,005 whilst he occupied the property. Revd Z Burton was owed £303 in respect of Area Dean expenses at 31 December 2021.

Subsidiaries

During the year, the Board received loan interest from Wind FX Limited of £86,484 (2020-£86,484). Wind FX Limited also paid the Board £3,000 (2020-£3,000) towards accountancy costs in the year, and £432 for other expenses. At 31 December 2021 Wind FX Limited owed the Board £864,848 (2020-£864,848). SNDBF Solar Limited owes the Board £226,190 (2020-£226,190) at 31 December 2021 and the Board owes SNDBF Solar £121,283 (2020-£102,045).

30. FUNDS HELD AS CUSTODIAN TRUSTEE

The Board acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. Each year an annual statement of value is made available to all PCCs. The market value of investment held on behalf of PCCs and others is £9.56 million, cost £3.8million (2019- £7.8 million, cost £4.1million).

31. DEVOLVED CAPITAL FORMULA

Since April 2006, the Education Funding Agency (EFA) have paid devolved Formula Capital (DFC), directly to schools or dioceses before the funds are spent on capital projects. This year education restricted funds received £235,567 on behalf of 7 schools (2020- £444,635 on behalf of 8 schools). These funds are maintained in individual school ledgers with payments and governors 10% contributions shown.

The Schools Executive Officer monitors these accounts and advises schools of current balances and authorises payments. At the year end the balance of these DFC accounts was £51,203 (2020-£104,371) which is not included in these accounts.

32. COLLABORATION AGREEMENT

In 2010 the Board entered into a collaboration agreement with 5 other parties to develop land for housing. The terms of the agreement are such that the Promoter has first call on any receipts from the housing developer, as they are responsible for putting the infrastructure into the site for it to be developed for new homes. Any surplus left at the end of the project will be shared amongst the members of the collaboration agreement, but at 31 December 2021, the timing and receipt of these funds cannot be measured with any certainty. During 2020 the four parcels of land owned by the Board were sold to the housing developer, but in accordance with the Collaboration agreement the proceeds were added to the collaboration account to cover continuing infrastructure costs, not remitted to the Board. There is a fixed charge dated 11 April 2018, in favour of Homes and Communities Agency relating to the collaboration agreement, regarding a small piece of land that is part of the agreement owned by the Board.

SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249359

Accounts

THE CHURCH OF ENGLAND

Diocese of Southwell & Nottingham

SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE

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ADMINISTRATIVE DETAILS
For the year ended 31 December 2020

Trustees
In accordance with the Companies Act 2006, The Statement of Recommended Practice 2019 (SORP 2019) and Financial Reporting Standard 102 (FRS 102), the Trustees (for the purposes of charity law) and Directors (for the purposes of company law) during the year and as at the date of signing follow:

PRESIDENT
The Bishop of Southwell and Nottingham, Right Revd Paul Williams

BISHOP'S COUNCIL AND STANDING COMMITTEE OF THE DIOCESAN SYNOD (BEING THE FINANCIAL EXECUTIVE OF THE DIOCESAN SYNOD AND THE BOARD OF DIRECTORS OF THE BOARD OF FINANCE)

EX-OFFICIO
The Rt Revd The Bishop of Southwell & Nottingham
The Rt Revd The Bishop of Sherwood
The Very Revd The Dean of Southwell
The Venerable The Archdeacon of Newark **(a)(b)** (resigned 15 January 2020, currently vacant)
The Venerable The Archdeacon of Nottingham **(a)**
The Chair of the House of Clergy of the Diocesan Synod Revd Canon M Adams (to 30 November 2020), Revd S Hustwayte (appointed 10 February 2021) **(a)**
The Chair of the House of Laity of the Diocesan Synod (Mr M Wilson) **(a) (b)**
The Chair of the Finance Committee (Canon M Arlington) **(a)**

Co-opted
The Revd P Shaw

ELECTED BY THE SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD

CLERGY (5)
Newark Archdeaconry (2)
Revd A Fletcher
Revd Canon M F Shouler

Nottingham Archdeaconry (3)
Revd Canon S Silvester
Revd C Bourne
Revd S Hustwayte **(a)**

LAITY (9)
Newark Archdeaconry (4)
Mr P Stanley (resigned 29 September 2020) **(a)**
Mr R Brand
Mr C Perrett
Professor P Harris

Nottingham Archdeaconry (5)
Mr C Slater **(a)**
Mrs S Dunster
Miss S Waterston
Mrs J Gray
Mr C M Bolton

(a) Member of the Finance Committee
(b) Member of the Board of Education

PRINCIPAL OFFICERS AND ADVISERS

Diocesan Chief Executive & Company Secretary	Mr M L Cooper BA (Hons) FCA ATII
Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance	Mrs A J Redgate LLB

ADMINISTRATIVE DETAILS
For the year ended 31 December 2020

HEADS OF DEPARTMENTS

Director of Discipleship & Ministry	Revd Canon Dr R Kellett BTh (Hons), BSc (Hons), MA, PhD
Director of Partnerships & Mission	Revd D McCoulough BA (Hons) MA
Director of Education & Mission	Mr N Frith BA MA NPQH (appointed 2 March 2020)
Director of Communications	Mr R Ellis (resigned 31 May 2020)
Director of Parish Support	Mr F McNish
Director of Finance	Mrs R A J Bowes FCCA

BANKERS
Lloyds Bank, Nottingham

INVESTMENT MANAGERS
CCLA Central Board of Finance of the Church of England
Cazenove Capital Management Ltd
Mayfair Capital Investment Management Ltd
Ruffer LLP

SOLICITORS
Rotheras, Nottingham

CHARTERED SURVEYORS
Jas. Martin & Co, Lincoln
Tanners, Nottingham
Geo Hallam & Sons, Nottingham

MINING, MINERALS, ENGINEERING & ENVIRONMENTAL CONSULTANTS
Mineral Surveying Associates

INSURERS
Ecclesiastical Insurance Group

AUDITOR
BHP LLP
2 Rutland Park
Sheffield
S10 2PD

REGISTERED ADDRESS
Jubilee House
Westgate
Nottingham
NG25 0JH

CHAIRMAN'S FOREWORD
For the year ended 31 December 2020

The past year has represented a time of extraordinary challenge that has affected the lives of everyone living in the diocese and all those who share in the mission of the Church across our parishes, schools and diverse communities. 2020 started well with some clear progress in areas of our diocesan mission as we continued to fulfil the aspirations set out within our Growing Disciples strategy. At the centre of all our planning and praying is a commitment to announce the Good News of God's love in Jesus Christ and to invite all people to respond to his saving grace. At the beginning of the second decade of the 21st century we are convinced that there is nothing better anyone can do with their life than become a follower of Jesus Christ. This reality is seen in the stories of people of all backgrounds and ages coming to new faith in God. It also lies at the heart of decision making, management of resources, creative developments, as well as the steady and faithful ongoing ministry of every parish.

As a diocese we are a mission enterprise whose roots are woven in the fabric of what has made and shaped communities across the region over many centuries. We are also a dynamic network of local churches whose common purpose is to live for Christ in our present age, mutually supportive of one another above all in seeking fresh ways to make Christ known, as well as demonstrating his transforming love in ways that can bring hope and healing to all. A significant expression of our God-given ministry is through our Church schools who have excelled in their mission through the past year, serving with immense courage and creativity through every twist and turn created by the coronavirus pandemic.

March 2020 brought about a dramatic change to every one living in our nation, as the first restrictions were put in place to suppress the rising rates of coronavirus infections. Within a few weeks the government announced a national 'lockdown' which meant that all in-person services were suspended. Within a short time clergy, lay ministers and congregations across the diocese found new ways to sustain the life of the church and serve the most vulnerable in our communities. This included new on-line services and small groups to nurture faith in such difficult times, as well as practical care with churches supplying foodbanks, offering care packages and joining with other key stake holders to provide support to those who were self-isolating or living alone. Our church buildings may have been closed for a time but the church was very much alive.

Coming out of the first 'lockdown', while recognising the challenges that were still ahead until vaccinations could be found, many churches established patterns of ministry that included both on-line and in-person services and groups. In the meantime, the Bishop's Core Team began to develop a series of work streams that would support the accelerated change created by the circumstances of coronavirus. The Bishop's Council, with significant engagement from Area Deans, Jubilee House staff and other clergy and lay leaders, was able to help shape this work so that it can be most effective while we discern how God is equipping his Church for a new season of fruitful ministry. The key streams of work do not create a new operational strategy but are intended to facilitate the accelerated change that is already happening within our commitment to Growing Disciples.

Seven streams of work

1. *Transformation Change Appointments* – Increasing the number of clergy appointments that enable significant change that can facilitate growth; many of these will be time-specific appointments that ensure we do not reduce the level of stipendiary ministry while maintaining flexibility in future deployment planning in the medium term.

2. *New models of Local Missional Leadership* – Developing more quickly our planning in training and commissioning people who are equipped and called to lead local mission, within new initiatives and existing parishes.

3. *Youth and Children Growing Disciples Task Group* – To build on the good heritage of children and youth ministry in the diocese, as well as the recent experience with the YoungLife learning communities, to address the significant need to revitalise our mission among and with children and youth; including the new possibilities working in partnership with our Church schools. A task group was established under the leadership of the Bishop of Sherwood, resulting in an application for Strategic Development Funding to help facilitate a new and ambitions programme of mission.

4. *Communications Review* – To review all aspects of our present communication strategy in light of the new opportunities the past 12months has generated with social media platforms, especially as we engage our 'core constituency' as well as those presently beyond the life of the church

5. *Increasing Diversity* – With renewed vision for a more diverse church, which includes addressing systemic issues that unintentionally limits our mission and undermines the gospel. This is particularly in response to the issues raised by the death of George Floyd and the challenge it created for the Church.

6. *Well-being and Resilience* – Under the direction of the Principal for Well-being and Ministry Development the diocese is developing new resources and increasing awareness in addressing Relational, Physical, Mental and Spiritual Health.

7. *Prayer Stream* – Prayer is the engine of the Church in mission and in the context of increased challenge and change in society, we are seeking to foster an increasing engagement with patterns of prayer that can sustain and inspire radical discipleship.

Supporting the present and future shape of ministry in the diocese, we are grateful that God has continued to call people into new spheres of service, as incumbents, curates, head teachers, into other forms of leadership in local churches and across chaplaincies. We have also been pleased to welcome a new Diocesan Chief Executive, Director of Education, Senior Safeguarding Lead, as well as celebrating the consecration of a new Bishop of Sherwood. All of these people bring new insights and gifts to the life of the diocese at this time and we are deeply thankful for the contribution they have made even with the limitations placed on being able to meet in-person with congregations and colleagues. Ensuring that we embed good Safeguarding practices into every part of the life of the diocese is essential to our mission. Our new Senior and Assistant Diocesan Safeguarding Advisors have brought new skills and experience to this work in 2020, while we have also undertaken the first phase of the important Past Cases Review 2.

As the Church that bears the name of our Saviour, Jesus Christ, we can be a community abounding in hope in a climate that is easily overwhelmed by sadness and uncertainty. It is why, as theologian Jurgen Moltmann puts it, Christians are 'enduringly capable of future'. I am confident that for this reason we are well placed to respond to the unknown challenges that are facing our society in the months ahead, as well as the opportunities that God presents for his Church to bring eternal hope to our world. The extraordinary generosity across many of our churches in meeting Parish Share through such a difficult year in 2020 has been particularly heartening. Of course some have struggled and the year to come will remain challenging for all as we seek to resource the ministry we believe is needed. I pray that our financial giving ever more reflects our hope-filled vision of a Church that has Good News for people everywhere, as we play our part in bringing Jesus-shaped change to our world, starting always in the neighbourhood where we live, work and worship.

With every blessing



The Rt Revd Paul Williams
Bishop of Southwell & Nottingham

TRUSTEES' REPORT
For the year ended 31 December 2020

The Trustees, who are also Directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in 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.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

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

The Board has the following statutory responsibilities: -

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

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

PUBLIC BENEFIT

The Trustees are 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 Trustees believe that, by promoting the work of the Church of England in the Diocese ,of Southwell & Nottingham, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

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

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Board for the purposes of Company Law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP 2019 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far aware the trustees are aware:

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

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

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out in the section on Structure and Governance. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

VOLUNTEERS

The Board 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 the church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly in times of crisis. Within this context, the Board greatly values the considerable time given by all the committee members across the diocese in pursuit of the mission of the Board.

MISSION STATEMENT

Our mission statement calls for each member of the church at every level of diocesan life to **join together in the transforming mission of God**, making their own unique contribution to **living worship, growing disciples and seeking justice.**

STRATEGIC AIMS

The Board resources the Christian tasks of mission and ministry through 250 parishes and other networks.

The annual budget has been set against this background, designed to provide adequate resources to fund the present, as well as to shape the future, in a way that is fit for the mission task. As always it prioritised the appropriate provision of stipendiary parish clergy and licensed lay workers across the diocese. In terms of our future shape, it recognised the changing patterns of ministry deployment, the need to support local leadership in the deaneries and to engage in partnership with various civic, community and business interests.

The Board's strategy for achieving its objectives is to adopt a methodology of limiting central sources of expenditure in favour of both releasing funds for mission and minimising the increase in Parish Share. The Board continues to maintain the sound financial structure needed to enable it to continue supporting the clergy and lay workers through the payment of stipends, managing parsonages and other ministerial housing. It provides resources in support of the ministry of both clergy and lay people in parishes across the diocese.

OBJECTIVES FOR YEAR

The objective of the Board is to provide financial resources for the achievement of the priorities of the Bishop and Diocesan Synod.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

2020 threw up real challenges for all Dioceses but we adapted to digital communications and social media channels to share inspirations and news with communities and followers across the diocese. During the year we have developed the workplace chaplaincy further by supporting a new chaplaincy team in Sherwood and in partnership with Nottinghamshire Police have relaunched chaplaincy support to the force. Transforming Notts Together has taken on more staff to develop Near Neighbours community cohesion work and,

with Covid Recovery funds, established Grief and Bereavement Support Workshops and supports 10 churches exploring setting up bereavement groups or Grief Cafes. We have also supported the BAME Advisory Group in the diocese, met with Majority Black Led Church Leaders in Nottingham and participated in Nottingham Citizens' hosted meetings in response to the killing of George Floyd. After an encouraging start to 2020 in terms of churches engaging with giving initiatives, Covid-19 struck and all normal processes ground to a halt. After a few weeks, as we adjusted to the new world of lockdown, we quickly endorsed and publicised the C of E's online giving offering through SumUp and Give a Little, with an encouraging take up by parishes. This has continued to grow throughout the year, and enabled churches to bring in donations from a new source as they lost income from envelope giving, hall rental and fundraising events. This has also allowed churches to place "donate now" buttons on their websites and ACNY entries, place QR codes across social media and printed materials and grow in their learning of digital platforms for giving in a way that would never have been envisaged under normal times.

As we enter 2021, we are encouraging churches to prepare for giving initiatives once more, without the social contact of previous years, but utilising the enthusiasm and dedication of hard working folk in our churches and communities to grow generosity through discipleship and learning.

After quiet summer months, September brought a flurry of updates and inspiring news stories, beginning with St. Wilfred's Church, Scooby and All Saint's Church, Babworth, who were both featured on BBC's Songs of Praise on Sunday 13th September as part of their 400 years Pilgrim Centenary Celebrations.

In the same month, we celebrated the ordination of the new Bishop of Sherwood, the Rev'd Andrew Emerton. Andy began his journey to ordination from Southwell Minster and travelled north to a service at York Minster, which was lived streamed to thousands of viewers from across the globe, overcoming some of the social distancing restrictions that were in place at that time.

This year ordinations, which usually take place in July, were delayed until September, and by necessity, took on a very different feel. With attendance inside the minster still largely prohibited, our celebrations had a more reflective tone and we witnessed a most challenging return to school for our staff and pupils, which was reported by ITV Central News who visited Hucknall National CofE Primary school to see the wellbeing and safety measures put swiftly into place for pupils attending classes after many months of home schooling.

Both Bishops have been interviewed by BBC Radio Nottingham throughout the year, offering messages of hope and support in these difficult times.

Our Christmas campaign, Light in the Darkness, saw Bishop Paul in more reflective mood as he brought this most challenging year to its close. Many thousands of people watched this year's video and enjoyed a series of prayers and reflections we shared throughout the Advent period. The Discipleship and Ministry team has continued to be active in training and developing both lay and ordained ministers moving its provision promptly to online teaching to meet the challenges of the COVID-19 restrictions. They ran a successful diocesan conference online with over 200 people in attendance and Bishop Emma Ineson speak on Godly Ambition, and the Church Schools Leaders Conference was also held on Zoom. They continue to develop vocations to lay and ordained ministries welcoming 14 new trainee for Licensed Lay Ministry and 11 new ordinands. Despite the pandemic, 4 New

Worshipping Communities were started in 2020 bringing the total launched to 21.

We supported 5 members of the clergy with their retirement plans and assisted with moving 18 clergy families in housing in the Diocese.

FUTURE PLANS

In 2021, the focus on our response to climate change will continue, aiming to cut our carbon footprint and promote eco church and to encourage further our understanding of caring for creation as central to whole life discipleship. The Diocesan Advisory Group will also instigate a strategy for our church buildings across the Diocese and aim to improve our church building carbon footprint and increase awareness and use of environmental products and services.

There will be continued need to work with cross agency partners to tackle homelessness and modern slavery, and to support local church responses to the needs of rough sleepers refugees and asylum seekers, in the city and county.

We will also support the ministry of chaplains and sector ministries by holding a chaplaincy gathering with the Bishop of Sherwood in the summer and aim to appoint a chaplain in Hucknall to complete our network of chaplains, and we are exploring ways of supporting the partnership between churches and schools. We will also encourage parishes to consider local models of town centre or high street chaplaincy such as those in Beeston and Sherwood.

KEY PERFORMANCE INDICATORS

The Board regards its key performance indicators as follows:

	2020	2019
Percentage of parish share received	87.3%	94.5%
Average rate of return on investments	2.75%	3.3%

Both of the KPIs above have been impacted by the effect of Covid 19, but we appear to have weathered the storm, as increased economic activity is on the horizon. As required, Board reviewed the investment returns with the investment managers in November 2020, and the Board decided to change one of the investment managers and leave the targeted return on the investments unchanged. The investments in renewable energy are continuing to show a return.

FINANCIAL PERFORMANCE

The main income to the Board is from parishes giving Parish Share, which has decreased by £226,000 this year. The Trustees are immensely grateful to all the parishes who, during the Covid 19 pandemic continued to contribute to parish share, and supported Ministry in the Diocese. We cannot achieve this without their support.

INCOME	% of Total		2020 £000	2019 £000
Parish Share	50.2		5,438	5,664
Archbishops' Council	19.8		2,149	1,871
Allchurches Trust	1.3		140	136
Fees	2.6		278	315
Investment income	10.0		1,089	1,278

The Trustees acknowledge with thanks the annual distribution from Allchurches Trust. The other grants received from Archbishops' Council during 2020 are £601,000 Strategic Development Fund monies, which is matched funded by the Board and £1,266,000 Lowest Income

Communities funding to support mission in our poorest parishes. We also received a Covid 19 Sustainability grant from Church Commissioners of £250,000 to contribute towards our exceptional losses this year, and we are in receipt of Strategic Ministry funding for additional curates of £23,000.

Due to the Covid 19 pandemic, and the massive changes in operations due to remote working, many things were done differently in 2020, and the effect on the budgeted expenditure and income was huge. The Board took advantage of the Governments job retention scheme, which covered £95,000 of salary costs, and all our staff moved to remote working. We invested in online meeting platforms and internet based telephone systems and the support for Ministry in the Diocese continued. The Board managed a net gain before investment gains and losses of £333,000 in the general fund (2019: loss £210,000), largely due to the Covid Sustainability Funding we received from Church Commissioners.

The capital values of investments have had a better year than last, and the year end position of £42,531,000 is an overall increase of £1,334,000. The investments have rallied after the valuation drop during March 2020, but there has been an impact on investment income in 2020. The capital values of agricultural land has remained the same. The unrealised gain on investments at the year end was £2,536,000. The Board received £1,448,463 during the year relating to the sale of glebe assets.

REVIEW OF THE BALANCE SHEET

The Trustees consider that the balance sheet, together with details in note 22, show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £80,626,000 (2019: £77,886,000) it must be remembered that included in this total are a considerable number of properties, mostly in use for the ministry and mission of the Board, whose value amounted to £34.5 million (2019: £37.5 million). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the Board.

Restricted and endowment funds

As set out in note 23 the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2020 restricted funds totalled £8.8m (2019: £8.4m) and endowment funds totalled £58.8m (2018: £56.4m). Net outgoing resources in the education restricted fund, before investment gains, amounted to £31,000 (2019- £33,000) and resources were mainly used to finance the salaries of those Education Department staff with responsibility for church schools and academies.

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer required. A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2020 total designated reserves were £10.6m (2019: £10.3m). There is a balance of £1.9m set aside in a designated fund to finance the funding shortfall on the closed lay staff defined benefit pension scheme to eliminate the deficit by March 2025.

Free reserves

The Board of Finance has considerable responsibilities including the remuneration of over 120 stipendiary clergy, the employment of 65 full or part time staff and the upkeep of nearly 200 houses. Most of the Board's income is voluntary with half coming from Parish Share and the balance made up of grant income from Archbishops' Council and income investments and other sources. In light of this and the flow of income, the Trustees have determined that

it is prudent to hold free reserves at least equivalent to general fund expenditure over two months i.e. £1.5m.

At 31 December 2020, the Board of Finance's free reserves were £3.3 million (2019 £3.4m). The trustees consider that with the continued uncertainty around the economic situation together with the changes in the way that Diocese are resourced from Church Commissioners, and the continuing pressure on parish share, the increased holding of free reserves is prudent.

Subsidiaries
During 2015, the Board set up two subsidiary companies. SNDBF Solar Limited is a wholly owned subsidiary that manages the £226,000 invested in the installation of solar panels on 50 benefice houses. Wind FX Limited is 60% owned by the Board and operates a 500Kw wind turbine. The investments into these companies, by way of loan capital, totalled £1,090,000.

Investment policy and performance
The Board is empowered by its Memorandum of Association to invest monies not immediately required for its purposes. In addition, the Board acts as trustee of a number of trust funds, and these must be invested in accordance with the related trusts. The Board's policy is to review regularly the assets of each fund. Notes 22 and 23 provides details of the assets of each fund, together with the related purposes, and note 16 summarises the movements in investments during the year.

The implementation strategy for the diocesan assets is managed by a subgroup of Finance committee on behalf of Bishop's Council. The strategy is to grow the value of the diocesan assets and their annual income with a due regard to the level of risk associated with the ownership of particular assets. The Board appoints managers to advise and manage investments who are instructed to apply the ethical investment policy of the Church of England. Investment managers are tasked with a return of RPI +4%.

The Diocese has historically been an owner of agricultural land, currently 3,721 acres including 3 farms. The growth in value of agricultural land since 2006, has resulted in nearly 50% of the total value of assets being in land. The current policy is to reduce the amount of land over time when the opportunity arises to sell freehold land; the proceeds being invested in a wide range of financial assets which are more liquid and of a higher annual income return than land. A small investment is also held in a specialist commercial property fund managed for charity clients. Dunham House, a residential apartment block in Southwell, is managed to produce a rental return.

Funds which may be needed for working capital in the short-term are held as deposits with the Central Board of Finance of the Church of England and the Board's bankers, Lloyds Bank plc.

FUNDS HELD ON BEHALF OF OTHERS
As Custodian Trustee: The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £8.4m at 31 December 2020 (2019: £8.5m), are available from the Board on request.

On behalf of Schools: The Board of Education (as incorporated within the Board) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also Government grants in connection with the same. The Board of Education administers these monies as managing agent and makes

appropriate payments to contractors for work carried out.

The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in creditors as at 31 December 2020 is £104,371 (2019: £133,715). The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £444,635 in 2020 and £406,877 in 2019.

GRANT MAKING 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 of Finance to support the furtherance of the Board of Finance's objects.

Mission Development Funding from Archbishops' Council has now ceased, so the designated fund will be used to support the existing projects.

Southwell and Nottingham is one of 41 dioceses in the Church of England covering the whole of Nottinghamshire and a small section of South Yorkshire and North Leicestershire. It is administered through the Board, a charitable trust company limited by guarantee. The Diocese is arranged as 2 archdeaconries, Newark covering the north part with 4 deaneries and Nottingham the south with 5 deaneries. In total there are some 250 parishes.

Each Diocese is a separate entity led by the Bishop and is governed by the Canons of the Church of England and the Acts and Measures of General Synod as well as state legislation that relates to companies and charities. In Southwell and Nottingham, the Diocesan Bishop is assisted by the Suffragan Bishop of Sherwood.

At national level the Diocese relates to the Archbishops' Council, the Church

Commissioners and the Church of England Pensions Board. Further information can be found at www.church-of-england.org. The financial transactions of these bodies do not form part of these financial statements.

Each diocese is divided into benefices which are made up of parishes. The priest of a benefice is an office holder who shares the cure of souls with the Bishop. Matters relating to finance and parish owned property in a parish, are the responsibility of the Parochial Church Council, each of which is an individual charity separate from the Diocese. Benefices are grouped together in nine Deaneries which are units of mission, conduit of communication and whose members elect the members of General and Diocesan Synod.

Southwell Minister is the cathedral church of the diocese and is itself a separate legal entity. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Southwell Minster, Church Street, Southwell, Nottinghamshire, NG25 0HD.

The Board of Finance and Diocesan Synod: Within the Diocese there are two major bodies - the Diocesan Synod and the Board of Finance: the membership of both is coterminous

Board of Finance: The company, Southwell & Nottingham Diocesan Board of Finance, was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 5th June 1891 as a charitable trust company limited by membership guarantee (No. 34165) and its governing documents are the Memorandum and Articles of Association. The Board of Finance is registered with the Charity Commission (No. 249359).

The company, originally called the Southwell Diocesan Finance Association, changed its name to the Southwell Diocesan

Board of Finance on 18 January 1932. On 28 February 2006, the company changed its name to the Southwell & Nottingham Diocesan Board of Finance.

As a member of the Board, each member of Synod has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

Diocesan Synod: Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, plus up to 20 co-options

The Diocesan Synod usually meets twice a year.

Its role is to:

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

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council.

The Bishop's Council (and Standing Committee of the Diocesan Synod): The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of 8 ex officio members (the Diocesan and Suffragan Bishops; 2 Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; and the Chair of the Finance Committee), 5 clergy elected by the House of Clergy from among their number (3 from the Archdeaconry of Nottingham and 2 from the Archdeaconry of Newark) and 10 lay persons elected by the members of the House of Laity representing deaneries (6 from the Archdeaconry of Nottingham and

4 from the Archdeaconry of Newark) and up to 4 co-opted members of Diocesan Synod.

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

- to plan the business of the Synod,
- to initiate proposals for action by the Synod and to advise it on matters on policy;
- to advise the Diocesan Bishop, on any matters which he may refer to the Council;
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- to appoint members of committees or nominate individuals for election to committees; and
- to carry out such functions as the Synod may delegate to

Decision Making Structure: Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Southwell and Nottingham, are set by the Diocesan Synod and the Board.

The company meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Board. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold up to eight meetings during the year to formulate and coordinate policies on mission, ministry and finance. The Trustees rely upon the Diocesan Chief Executive and their team of six departmental directors for the delivery of the day to day activities of the company. The

Diocesan Chief Executive is given specific and general delegated authority to deliver the business of the Board in accordance with the policies framed by the Trustees.
Council are also the members of 2 statutory committees:

- Parsonages Committee, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, team vicarages and houses owned by the Board of Finance.
- Diocesan Mission and Pastoral Committee, which is responsible for the task of recommending pastoral reorganisation to the Bishop.

Other statutory committees include:

- Diocesan Advisory Committee, which advises on matters affecting church buildings and places of worship including the granting of faculties, the use and care of places of worship and their contents and the care of churchyards.
- Southwell & Nottingham Diocesan Board of Patronage, which is constituted under the provisions of the Patronage (Benefices) Measure 1986.

In addition to the statutory committees Bishop's Council has set up the Finance Committee, which has written terms of reference, to advise it on all financial matters. The Finance Committee meets regularly, approximately five times each year and works closely with the Diocesan Chief Executive and Director of Finance. The Finance Committee has decided that in order to give considered advice to the Bishop's Council and to understand the detail of diocesan finance, to set up the Audit Committee which advises the Finance Committee and thereby Bishop's Council, in the discharge of the Trustees' responsibilities for accounting policy, internal control, financial reporting and risk management.

Remuneration of Key Personnel: Emoluments of higher-paid employees are determined by a remuneration group consisting of the Chair of the House of Clergy, the Chair of the House of Laity, and the Chair of the Finance Committee. A job evaluation scheme is used to determine the salary grades of employed posts. Office holders are paid either the Diocesan stipend or that advised by the Archbishops' Council acting as the Central Stipends Authority.
management.

GOING CONCERN
The financial statements have been prepared on a going concern basis as the trustees believe that, despite the uncertainty of the economic impact of the Covid 19 virus pandemic, the Board has sufficient monetary reserves to meet all their obligations as they fall due. The trustees consider that given the level of investments and reserves held the going concern basis is appropriate.

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

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

Risk Type	Risk	Mitigating activity
Reputational	Safeguarding & Inclusion of children and vulnerable adults: current safeguarding incident by an individual associated with the Diocese or any church in our Diocese and adverse publicity relating to safeguarding failures in the past or present.	• Safeguarding advice is provided by a dedicated Safeguarding team • Policies are aligned with those of the national church • Training is compulsory for all relevant staff and office holders
Financial	Parish Share collection is considerably less than 100%.	• Collection statistics are produced and circulated on a monthly basis to Deanery & Diocesan personnel • Deanery finance personnel are expressly tasked with identifying, reporting on and supporting those parishes where there is considered to be a significant risk of under-collection
Reputational and Financial	IT: System failure.	• The disaster recovery plan is reviewed on an annual basis • Backups are made on a regular basis

DISCLOSURE OF INFORMATION TO THE AUDITOR
We, the Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant information and to establish that the company's auditor is aware of that information.

In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company directors.

APPOINTMENT OF AUDITORS

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

BY ORDER OF THE TRUSTEES

+Paul Southwell and Nottingham

The Right Revd Paul Williams
Chairman

Date: 28/04/21

Opinion

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

In our opinion the financial statements:

1. 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;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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:

1. the information given in the trustees' report (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

2. 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:

1. 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

2. the parent charitable company's financial statements are not in agreement with the accounting records and returns; or

3. certain disclosures of directors' remuneration specified by law are not made; or

4. we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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:

1. We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk.

2. We focused on laws and regulations relevant to the charitable company which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, trustees, and those staff with direct responsibility for the compliance of laws and regulations. We also reviewed legal expenses.

3. We addressed the risk of management override of internal controls, including the testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by management or the trustees that represented a risk of material misstatement due to fraud.

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/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx.
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.

Jane Marshall

Jane Marshall (Senior Statutory Auditor)
for and on behalf of
BHP LLP
2 Rutland Park
Sheffield
S10 2PD

Date : 14 June 2021

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
Income and endowments from						
Donations	2					
Deanery share		5,438	-	-	5,438	5,664
Archbishops' Council		1,547	602	-	2,149	1,871
Other donations		143	1	-	144	139
Charitable activities	3	633	1	-	634	777
Other activities	4	452	2	-	454	449
Investments	5	862	227	-	1,089	1,278
Other	6	536	338	150	1,024	554
		9,611	1,171	150	10,932	10,732
Expenditure on						
Raising funds	7	340	64	-	404	445
Charitable activities	8	8,916	673	-	9,589	9,766
Clergy pension scheme movement	27	-	-	(6)	(6)	(1,455)
Church schools & Diocesan projects	9	-	151	-	151	195
Other	10	22	236	-	258	342
		9,278	1,124	(6)	10,396	9,293
Net income/(expenditure) before investment gains		333	47	156	536	1,439
Net gains on investments		362	340	1,834	2,536	2,836
Net income/(expenditure)		695	387	1,990	3,072	4,275
Transfers between funds	14	(368)	-	368	-	-
Non-controlling interest		-	(1)	-	(1)	12
Other recognised gains/(losses)						
Gains/(losses) from changes in financial assumptions on defined benefit pension scheme		(331)	-	-	(331)	(351)
Net movement in funds		(4)	386	2,358	2,740	3,936
Total funds brought forward		13,023	8,414	56,449	77,886	73,950
Total funds carried forward	21	13,019	8,800	58,807	80,626	77,886

All activities derive from continuing activities. A surplus of £2,973 is attributable to the non-controlling interest, with the balance of £533,000 attributable to the parent entity. The notes on pages 28 to 63 form part of the financial statements.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2020

	Total 2020 £'000	Total 2019 £'000
Total incoming resources	10,782	10,482
Resources expended	(10,402)	(10,748)
Operating (deficit)/surplus for the year	380	(266)
Net gains/(losses)on investments	702	1,569
Net income/(expenditure) for the year	1,082	1,303
Non-controlling interest	(1)	12
Other comprehensive income:		
Net assets transferred from/(to) endowments	(368)	(318)
(Losses)/Gains from changes in financial assumptions on defined benefit pension scheme	(331)	(351)
Total comprehensive income/(expenditure)	382	646

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

BALANCE SHEET- COMPANY ONLY
At 31 December 2020

Company Number – 00034165

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
FIXED ASSETS					
Tangible assets	15		38,386		37,712
Investments	16		42,531		41,197
			80,917		78,909
CURRENT ASSETS					
Debtors	18	1,912		1,835	
Cash at bank and in hand		1,765		541	
		3,677		2,376	
CREDITORS: amounts falling due within one year	19	(1,770)		(1,069)	
NET CURRENT ASSETS			1,907		1,307
TOTAL ASSETS LESS CURRENT LIABILITIES			82,824		80,216
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities	27	(2,043)		(2,161)	
Other creditors	20	(143)		(143)	
			(2,186)		(2,304)
NET ASSETS			80,638		77,912
FUNDS					
Endowment funds		59,254		57,270	
Deficit on clergy pension scheme		(447)		(821)	
			58,807		56,449
Restricted income funds			8,725		8,353
Unrestricted income funds:					
General fund		4,500		4,504	
Designated funds		10,577		10,315	
Defined benefit pension scheme liability		(1,971)		(1,709)	
			13,106		13,110
TOTAL FUNDS	21		80,638		77,912

BALANCE SHEET- COMPANY ONLY (continued)
At 31 December 2020

The Company Balance Sheet forms part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 28/04/21 and signed on behalf of the Board by:

+Paul Southwell and Nottingham

The Bishop of Southwell & Nottingham
Director

Canon M Arlington
Director

SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE

CONSOLIDATED BALANCE SHEET
At 31 December 2020

Company Number – 00034165

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
FIXED ASSETS					
Tangible assets	15		39,737		39,131
Investments	16		42,531		41,197
			82,268		80,328
CURRENT ASSETS					
Debtors	18	1,026		883	
Cash at bank and in hand		1,939		709	
		2,965		1,592	
CREDITORS: amounts falling due within one year	19	(1,845)		(1,154)	
NET CURRENT ASSETS/(LIABILITIES)			1,120		438
TOTAL ASSETS LESS CURRENT LIABILITIES			83,388		80,766
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities	27	(2,043)		(2,161)	
Other creditors	20	(719)		(719)	
			(2,762)		(2,880)
NET ASSETS			80,626		77,886
FUNDS					
Endowment funds		59,254		57,270	
Deficit on clergy pension scheme		(447)		(821)	
			58,807		56,449
Restricted income funds			8,800		8,414
Unrestricted income funds:					
General fund		4,413		4,417	
Designated funds		10,577		10,315	
Defined benefit pension scheme liability		(1,971)		(1,709)	
			13,019		13,023
TOTAL FUNDS	21		80,626		77,886

CONSOLIDATED BALANCE SHEET (continued)
At 31 December 2020

The Consolidated Balance Sheet forms part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 28/04/21 and signed on behalf of the Board by:

+Paul Southwell and Nottingham

The Bishop of Southwell & Nottingham
Director

Canon M Arlington
Director

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2020

	2020 £000	£000	2019 £000	£000
Net cash outflow from operating activities		(933)		(1,719)
Cash flows from investing activities				
Dividends, interest and rent from investments	1,089		1,278	
Interest paid	(9)		(9)	
Proceeds from the sale of:				
Tangible fixed assets	837		1,028	
Investment assets	8,838		7,862	
Purchase of:				
Tangible fixed assets	(956)		(1,315)	
Fixed asset investments	(7,636)		(6,602)	
Net cash provided by/used in investing activities		2,163		2,242
Change in cash and cash equivalents in the reporting period		1,230		523
Cash and cash equivalents at 1 January		709		186
Cash and cash equivalents at 31 December		1,939		709
Reconciliation of net movements in funds to net cash flow from operating activities:				
Net income/expenditure before investment gains for the year ended 31 December		536		1,439
Adjustments for:				
Depreciation charges		104		114
Net Profit on disposal of assets		(591)		(172)
Dividends, interest and rent from investments		(1,089)		(1,278)
FRS 102 pension scheme adjustment		(374)		(58)
Clergy pension scheme adjustment		(69)		(1,773)
Interest paid		9		9
Non controlling interest		(1)		12
(Increase)/Decrease in debtors		(143)		4
Increase/(Decrease) in creditors		685		(16)
Net cash provided used in operating activities		(933)		(1,719)
Analysis of cash and cash equivalents				
Cash in hand		1,939		709
		1,939		709

The movement in cash and cash equivalents is the same as the the movement in net debt therefore no separate movement in net debt table has been included in these financial statements.

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019 and the Companies Act 2006. The financial statements consolidate the results of the Company and its two subsidiaries, Wind FX Limited and SNDBF Solar Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Board has not been presented because the Board has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Board and are rounded to the nearest £'000.

The Board constitutes a public benefit entity as defined by FRS 102. The principle 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.

Parish share, and parochial fees are included on a receipts basis except for contributions received shortly after the period end that are explicitly relating to the period under review.

The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

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. In respect of housing maintenance, the policy is only to provide for orders started before the year end. The cost of office premises and other service costs have been apportioned to departments to reflect the facilities used, the basis of apportionment being floor space or headcount.

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 are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment but not

1. ACCOUNTING POLICIES (continued)

accrued as expenditure.

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.

Pension contributions.
The Board's staff are members of the Board's defined contribution pension scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 27). The pension costs charged as resources expended represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Lay staff who are members of the stakeholder pension scheme, or have their contribution paid into their own personal pension plan are accounted for in the month in which they are deducted. Deficit funding for the pension schemes to which Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year. The Board also operates a defined benefit scheme for the Board's employees whose employment began prior to 1 April 1993. The contribution rates for this scheme are set by the actuary using the actuarial valuation every three years.

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. The primary purpose of residential property is to provide accommodation for ministers in the Diocese. The freehold properties are held at cost or deemed cost by reference to the midpoint of the applicable council tax band as determined in 1996.

Properties subject to equity (value linked) loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated at cost or deemed cost, where historic cost values prior to 1996 are not readily available. Equity loans are made to parishes and clergy spouses to enable them to purchase property on a shared equity basis. In the event of a sale of any of the houses purchased with value-linked loans, the whole, or a proportionate part, of the net sale proceeds would go to the Church Commissioners. Total value-linked loans advanced at 31 December 2020 amounted to £134,000 (2019-£134,000).

1. ACCOUNTING POLICIES (continued)

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 Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historic or deemed cost.

Land and buildings purchased during the year totalled £0.9m (2019- £1.2m). The Board's policy continues to be to replace unsuitable properties; to accommodate the changing geographical deployment of clergy within the Diocese; and to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

No value linked loan houses were sold in the current or preceding year.

d) Other tangible fixed assets

All capital expenditure over £2,000 is capitalised and depreciated as follows. 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:

Motor vehicles	25%	Straight line
Garden equipment	20%	Straight line
Computer hardware and software	33.3%	Straight line
Furniture & fittings	10%	Straight line
Other office equipment	20%	Straight line
Wind turbine	4%	Straight line
Solar panels	5%	Straight line

e) Other accounting policies

i) **Fixed asset investments** are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. Glebe agricultural land is valued at 31 December each year by Jas Martin & Co, Chartered Surveyors. Dunham House is professionally valued by Mr R Davis of Geo Hallam and Sons. For commercial property a desk top valuation is provided by the Diocesan surveyor. Some properties included in the Southwell & Nottingham Board of Education restricted fund are not valued and are shown at cost as there is no readily available market value.

ii) **Leases.** Operating lease rentals are charged to the Statement of Financial Activities when they are paid. The lease payments are charged straight line over the period of the lease.

f) Fund balances

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

Unrestricted funds are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:

1. ACCOUNTING POLICIES (continued)

General funds which the Board intends to use for the general purposes of the Board.

Designated funds are those funds set aside out of unrestricted funds by the Board for a specific purpose over whose use and purpose the Board has discretion. The accumulated capital fund is the amount transferred from the general fund, gains less loss on investments and the directors' valuation of freehold property transferred at no cost. A designated fund has also been created for deficit funding in respect of the closed defined benefit pension scheme.

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

Endowment funds are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the Board (Stipends Fund Capital, Benefice Houses and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

g) Going concern

For the year ended 31 December 2020 the charitable company made an operating surplus of £536,000 and after taking account of gains and losses made an overall surplus of £2.74m. Free reserves at 31 December 2020 are £3.3m.
The Board have considered the ongoing impact of COVID-19 on the charitable company's income and operating cost base. They recognise that whilst the government has set out its roadmap to recovery, it is still not considered practical to accurately assess the duration and extent of the disruption.

The Board have prepared forecasts of income and expenditure for the period to 31 December 2022 that show deficit budgets. Due to the level of free reserves and cash resources held they are confident that they have in place plans to deal with the deficit budgets and any further financial losses that may arise.

The Board therefore continue to adopt the going concern basis of preparation for these financial statements.

h) Subsidiaries

Both of the Board's trading subsidiaries are consolidated using the equity method. SNDBF Solar Limited and Wind FX Limited also have a 31 December year end. The Board own 60% of the share capital of Wind FX Limited, therefore the non-controlling interest is shown separately in reserves.

i) Debtors & 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.

j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

1. ACCOUNTING POLICIES (continued)

k) Critical accounting estimates and assumptions

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present values of Church of England Funded Pensions Scheme and the Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme both depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying value of the pension liability.

An area of key estimation uncertainty, although not a significant risk due to annual professional valuations being undertaken, is the valuation of investment land and properties. The valuations are subject to judgements of an expert including, but not limited to, the state of repair of the properties, local knowledge, future income yields and market characteristics.

l) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The charity also operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

m) Furlough income

Income claimed under the Governments Furlough Job Retention scheme is recognised in the period to which it relates, rather than the period in which it is received.

2. DONATIONS

Deanery share

The majority of donations are collected from the parishes of the diocese through the parish share system.

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Newark Archdeaconry	2,700	-	-	-	2,700	2,583
Nottingham Archdeaconry	3,524	-	-	-	3,524	3,407
Voluntary contribution	42	-	-	-	42	18
Shortfall	(828)	-	-	-	(828)	(362)
	5,438	-	-	-	5,438	5,646
Receipts for previous years	-	-	-	-	-	18
Total Income	5,438	-	-	-	5,438	5,664

Current year deanery share receipts represent 87.3% of the total apportioned (2019 – 94.5 %). This is after the deanery share calculation was reviewed during 2017 and transition provisions applied to the Deaneries which have a large disparity with the way deanery share was previously calculated.

Archbishops' Council

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Selective allocation	1,266	-	-	-	1,266	1,280
Pooling of ordinands candidates' costs	8	-	-	-	8	-
Sustainability Funding	250	-	-	-	250	-
Strategic Ministry Funding	23	-	-	-	23	-
Strategic Development Funding	-	-	602	-	602	591
	1,547	-	602	-	2,149	1,871

Other donations

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Allchurches Trust Grant	140	-	-	-	140	136
Other Grants	3	-	1	-	4	3
	143	-	1	-	144	139

3. CHARITABLE ACTIVITIES

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
Statutory fees	278	-	-	-	278	315
Contributions to sector and other chaplaincy posts	66	-	-	-	66	90
Contributions to costs of lay staff posts	104	-	-	-	104	127
Church Commissioners'	39	-	-	-	39	22
Loan interest receivable	10	-	-	-	10	2
Other contributions and income	136	-	1	-	137	221
	633	-	1	-	634	777

4. OTHER ACTIVITIES

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
Housing income	452	-	2	-	454	449

5. INVESTMENT INCOME

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
Dividends receivable	209	-	174	-	383	485
Interest receivable	3	-	4	-	7	12
Rents and income from mineral rights receivable	650	-	49	-	699	781
	862	-	227	-	1,089	1,278

6. OTHER INCOME

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
Sale of fixed assets	441	-	-	150	591	250
Subsidiary income	-	-	338	-	338	304
Furlough income	95	-	-	-	95	-
	536	-	338	150	1,024	554

7. FUNDRAISING COSTS

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
Glebe agent's fee	179	-	-	-	179	190
Other land agent commission and expenditure	126	-	12	-	138	161
Investment management charges	35	-	52	-	87	94
	340	-	64	-	404	445

8. CHARITABLE ACTIVITIES

	Unrestricted funds General £'000	Unrestricted funds Designatec £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
Contributions to Archbishops' Council						
Training for Ministry	212	-	-	-	212	212
National Church responsibilities	185	-	-	-	185	189
Retired clergy housing costs	76	-	-	-	76	73
Pooling of ordinands costs	-	-	-	-	-	20
	473	-	-	-	473	494
Resourcing Ministry and Mission						
People costs						
Stipends, salaries and national insurance	4,881	-	349	-	5,230	5,216
Pension contributions	1,241	-	-	-	1,241	1,265
Housing costs	1,185	-	8	-	1,193	1,099
Removal, resettlement and other expenses	157	-	-	-	157	201
	7,464	-	357	-	7,821	7,781
Support for parish ministry	979	-	316	-	1,295	1,491
	8,443	-	673	-	9,116	9,272
	8,916	-	673	-	9,589	9,766

9. EXPENDITURE ON CHURCH SCHOOLS & DIOCESAN PROJECTS

	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on Education						
Support for church schools	-	-	151	-	151	190
Mission Development Fund	-	-	-	-	-	5
	-	-	151	-	151	195

10. OTHER EXPENDITURE

	Unrestricted funds General	Unrestricted funds Designated	Restricte Funds	Endowment Funds	Total funds 2020	Total funds 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Audit Fees- audit	18	-	-	-	18	18
Audit Fees- non-audit	4	-	-	-	4	4
Synodical costs	-	-	-	-	-	2
Subsidiary expenses	-	-	236	-	236	240
Fixed asset disposals	-	-	-	-	-	78
	22	-	236	-	258	342

11. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly	Grant Funding of Activities	Support Costs	Total costs 2020	Total costs 2019
	£'000	£'000	£'000	£'000	£'000
Fundraising costs	404	-	-	404	445
Charitable activities:					
Contributions to Archbishop's Council	-	473	-	473	494
Clergy pension scheme movement	(6)	-	-	(6)	(1,455)
Resourcing ministry and mission	8,700	394	18	9,112	9,292
Church Schools and Diocesan projects	-	151	3	154	198
Governance costs	-	-	1	1	1
Other	258	-	-	258	318
	9,356	1,018	22	10,396	9,293

Where costs cannot be directly attributed to particular headings, they have been allocated or apportioned to activities on a basis consistent with the use of the resources. Central support costs are apportioned on the basis of the estimated usage of resources at Jubilee House. Governance costs comprise audit fees, costs relating to the preparation of the statutory returns and the costs of hosting Diocesan Synod.

The apportionment in 2020 can be summarised as follows:

Resourcing ministry and mission 85.08%
Church Schools 12.22%
Diocesan Projects 1.90%
Governance 0.80%

12. ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institutions £'000	2020 Total £'000	2019 Total £'000
From unrestricted funds for National Church responsibilities:					
Contributions to Archbishop's Council	1	-	473	473	494
From unrestricted funds:					
Rainbow project (now Refugee	1	-	21	21	21
Roots) Clergy	31	78	-	78	132
Ordinands in training	166	227	-	227	154
Transforming Notts Together	3	-	15	15	5
From restricted funds for various purposes within resourcing parish ministry:					
Mission Development Fund	-	-	-	-	5
Growing Disciples/New Worshipping Community Grants	22	-	50	50	61
Perry Gift	4	3	-	3	4
Total	228	308	559	867	876

13. STAFF COSTS

	2020 £'000	2019 £'000
Employee costs during the year were as follows:		
Salaries and stipends	1,586	1,591
National insurance contributions	154	153
Pension costs		
Church of England Funded Pension scheme (2020 – 9 employees, 2019 -9 employees)	65	59
Defined Benefit scheme (2020- 1 employee, 2019 -1 employee)	123	126
Defined contribution schemes (2020 –63 employees, 2019-57 employees)	133	130
	2,061	2,059

The average number of persons employed by the group during the year:

	Number	Number
Administration and financial management	33	31
Property	4	4
Discipleship & Ministry, Stewardship	17	21
Education	8	8
Communications	3	3
	65	67

The average number of persons employed by the group during the year based on full-time equivalents:

	Number	Number
Administration and financial management	19.74	19.70
Property	3.50	3.50
Discipleship & Ministry, Stewardship	15.53	12.60
Education	5.20	4.58
Communications	2.50	2.50
	46.47	42.88

The number of people employed by the Board now include some posts that were previously funded by way of grant or contribution to a third party.

13. STAFF COSTS (continued)

	2020 Number	2019 Number
The numbers of staff whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows:		
£60,000 - £70,000	3	1
£70,001 - £80,000	1	1

Pension payments of £24,024 (2019: £14,518) were made for these employees.

Remuneration of key management personnel

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

Diocesan Chief Executive and Company Secretary	Mr M Cooper (appointed 2 March 2020)
Director of Discipleship & Ministry	Revd Canon Dr R Kellett
Director of Partnerships & Mission	Revd D McCoulough
Director of Education & Mission	Mr N Frith (appointed 2 March 2020)
Director of Communications	Mr R Ellis (resigned 31 May 2020)
Director of Parish Support	Mr F McNish
Director of Finance	Mrs R Bowes

Remuneration, including employers' NI and employers' pension contributions for these 7 employees amounted to £476,697 (2019: £451,170).

Directors' emoluments

No Director received any remuneration for services as Director. 7 Directors received travelling and out of pocket expenses, totalling £12,127 (2019 -7 Directors- £18,678) in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Directors.

13. STAFF COSTS (continued)

The following table gives details of the stipendiary Directors, including those who were in receipt of a stipend and/or housing provided by the Board during the year:

	Stipend	Housing
The Right Revd P Williams	No	No
The Right Revd A Porter (to 23 March 2020)	No	Yes
The Right Revd A Emerton (appointed 1 July 2020)	No	Yes
The Ven D Picken (to 3 February 2020)	Yes	Yes
The Ven P Williams	Yes	Yes
The Revd A Fletcher	Yes	Yes
The Revd Canon M F Shouler	Yes	Yes
The Revd S Hustwayte	Yes	Yes
The Revd Canon S D Silvester	Yes	Yes
The Revd C Bourne	Yes	Yes
The Revd Canon M Adams (to 4 December 2020)	Yes	Yes

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

The Board paid an average of 124 (2019 –127) stipendiary clergy as officeholders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2020 £'000	2019 £'000
Stipends	3,256	3,219
National insurance contributions & Apprenticeship levy	277	274
Pension costs - current year	544	501
- deficit reduction	375	369
	4,452	4,363

The annual rate of stipend, funded by the Board, paid to Archdeacons in 2020 was in the range £36,100 - £38,000 (2019 range £36,100 – £37,500) and other clergy who were Trustees were paid in the range £25,265 - £26,979 (2019 range £24,277 – £26,450).

14. TRANSFERS BETWEEN FUNDS

A transfer from the general fund of £368,000 has been made to the Clergy pension fund within endowment funds for the costs incurred in the year.

15. TANGIBLE FIXED ASSETS - Company

	Freehold Houses (see below) £'000	Diocesan Office & caretakers' bungalow £'000	Office Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2020	33,803	3,809	500	-	38,112
Additions	944	-	12	-	956
Disposals	(246)	-	-	-	(246)
At 31 December 2020	34,501	3,809	512	-	38,822
Depreciation					
At 1 January 2020	-	26	374	-	400
Charge for the year	-	1	35	-	36
Disposals	-	-	-	-	
At 31 December 2020	-	27	409	-	436
Net Book Value					
At 31 December 2020	34,501	3,782	103	-	38,386
At 31 December 2019	33,803	3,783	126	-	37,712

15. TANGIBLE FIXED ASSETS - company (continued)

	2020		2019	
	Cost or deemed cost £'000	Number of houses	Cost or deemed cost £'000	Number of houses
Endowment funds				
Benefice houses fund				
Parsonage houses	17,832	125	17,632	119
Glebe funds				
Housing of team vicars, curates & others	8,751	44	8,811	49
Retirement houses	40	1	40	1
Unrestricted (designated) funds				
Corporate property				
City Centre Resource Church	1,498	1	1,498	1
Housing of senior clergy, curates and others	6,240	24	5,682	26
Houses subject to value-linked loans				
Housing of curates and others	140	3	140	3
	34,501	198	33,803	199

Diocesan offices include the caretaker's bungalow situated in the grounds of Dunham House and amounts capitalised as part of the Jubilee House office build shown at cost. There is no reliable market value, but a valuation of both Jubilee House and the bungalow would be greater than historic cost. Dunham House is held in investment properties as it has been converted to 7 apartments for rental. A professional year end valuation has been obtained from Mr G Davis from the Board's property agent, whom is an independently qualified surveyor. Dunham House is valued on a freehold market value basis.

All of the freehold houses included above are freehold and are vested in the Board, except for benefice houses which are vested in the incumbent. The Board is not free to dispose or encumber these properties as it sees fit, as they are to be used for clergy housing. They are carried at cost or deemed cost and in the opinion of the Directors, the carrying value of land and buildings is less than the market value. The costs of revaluation are considered to outweigh the benefits to the reader of the accounts. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £140,000 (2019: £139,000). Of the total land and buildings at 31 December 2020, £14.5m are valued at cost (2019: £15.336m), with the rest at deemed cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

15. TANGIBLE FIXED ASSETS - Group

	Freehold Houses £'000	Diocesan Office & caretakers' bungalow £'000	Office Equipment £'000	Motor Vehicles £'000	Wind Turbine & solar panels £'000	Total £'000
Cost						
At 1 January 2020	33,803	3,809	500	-	1,690	39,802
Additions	944	-	12	-	-	956
Disposals	(246)	-	-	-	-	(246)
At 31 December 2020	34,501	3,809	512	-	1,690	40,512
Depreciation						
At 1 January 2020	-	26	374	-	271	671
Charge for the year	-	1	35	-	68	104
Disposals	-	-	-	-	-	-
At 31 December 2020	-	27	409	-	339	775
Net Book Value						
At 31 December 2020	34,501	3,782	103	-	1,351	39,737
Net Book Value						
At 31 December 2019	33,803	3,783	126	-	1,419	39,131

16. FIXED ASSET INVESTMENTS – COMPANY & GROUP

	At 1 January 2020	Additions at cost	Disposals	Unrealised gains/losses	At 31 December 2020
Listed investment securities	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Restricted funds	7,868	3,440	(3,769)	615	8,154
Endowment funds	5,333	288	(316)	687	5,992
Unrestricted funds	2,861	3,184	(3,318)	439	3,166
	16,062	6,912	(7,403)	1,741	17,312
Unlisted investment securities					
Restricted funds	84	-	-	(14)	70
Endowment funds	2,934	39	-	241	3,214
Unrestricted funds	871	-	-	(51)	820
	3,889	39	-	176	4,104
Cash held for investment purposes					
Restricted funds	27	-	-	-	27
Endowment funds	408	(39)	-	-	369
Unrestricted funds	728	724	(289)	-	1,163
	1,163	685	(289)	-	1,559
Investment properties					
Restricted funds	-	-		-	-
Endowment funds	18,536	-	(597)	70	18,009
Unrestricted funds	1,547	-	-	-	1,547
	20,083	-	(597)	70	19,556
Total	41,197	7,636	(8,289)	1,987	42,531

Due to their nature the historic cost of investment properties is not known. Included in the above are the following unrealised gains -Endowment funds £1,081,608 (2019-£1,235,352) Restricted funds £721,696 (2019- £1,084,961) and unrestricted funds £1,430,176 (2019 -£515,926).

17. SUBSIDIARIES

The Diocesan Board of Finance has two trading subsidiaries; Wind FX Limited is incorporated in the United Kingdom (company number 09601836) and is 60% owned by the Board. Wind FX Limited was incorporated on 20 May 2015 and the Board acquired its shares on 4 December 2015. SNDBF Solar Limited is incorporated in the United Kingdom (company number 09792284) and was incorporated on 23 September 2015, and the shares were acquired on the same date. Both companies operate in the renewable energy sector.

The summary financial performance of the subsidiaries alone are:	Wind FX Limited 2020 £'000	SNDBF Solar Limited 2020 £'000
Turnover	311	26
Expenses	308	16
Net Profit	3	10
The assets and liabilities of the subsidiaries alone are:		
Fixed assets	1,181	170
Current Assets	409	125
Current liabilities	(158)	(229)
Provisions	(81)	(24)
Long term liabilities	(1,441)	-
Net (liabilities)/assets	(90)	42
Represented by		
Share Capital		
Reserves	(90)	42

Both subsidiaries have taken advantage of exemption from audit under section 479A Companies Act 2006.

18. DEBTORS

	GROUP 2020 £'000	COMPANY 2020 £'000	GROUP 2019 £'000	COMPANY 2019 £'000
Due within one year				
Current year Parish share	44	44	166	166
Loans to parishes	11	11	10	10
Rent debtors	126	126	116	116
Other debtors	647	355	392	253
Amounts due from subsidiary	-	87	-	-
Prepayments	68	68	63	63
	896	691	747	608
Due after more than one year				
Loans to parishes	130	130	136	136
Amounts due from subsidiary	-	1,091	-	1,091
	130	1,221	136	1,227
Total debtors	1,026	1,912	883	1,835

19. CREDITORS: amounts falling due within one year

	GROUP 2020 £'000	COMPANY 2020 £'000	GROUP 2019 £'000	COMPANY 2019 £'000
Bank overdraft	-	-	-	-
Mission development fund grants	31	31	31	31
Other taxes and social security	44	44	-	-
Other creditors and accruals	1,395	1,218	754	591
Amounts owed to subsidiaries	-	102	-	78
Clergy pension scheme	375	375	369	369
Total creditors: amounts falling due within one year	1,845	1,770	1,154	1,069

20. CREDITORS: amounts falling due after more than one year

	GROUP 2020 £'000	COMPANY 2020 £'000	GROUP 2019 £'000	COMPANY 2019 £'000
Loan repayment instalments due after more than one year				
Church Commissioners value-linked loans	134	134	134	134
Sundry creditors				
Shareholder loans	576	-	576	-
Southwell & Nottingham Board of Education	1	1	1	1
Loan with the Central Board of Finance – interest free	8	8	8	8
	719	143	719	143
Pension scheme liabilities	2,043	2,043	2,161	2,161
Total creditors: amounts falling due after more than one year	2,762	2,186	2,880	2,304

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. Interest at the time of the advance is at the rate of 4% per annum (3% per annum on loans advanced on or before 31 December 1992) rising annually by the increase in the Retail Prices Index. As the date of disposal of the property is not known, the analysis of the date due cannot be calculated.

CREDITORS: amounts falling due after more than one year

	GROUP 2020 £'000	COMPANY 2020 £'000	GROUP 2019 £'000	COMPANY 2019 £'000
The maturity of the above loans may be analysed as follows:				
Between one and two years	32	9	32	9
Between two and five years	118	-	118	-
In five years or more	569	134	569	134
	719	143	719	143

21. SUMMARY OF FUND MOVEMENTS - GROUP

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2020 £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses fund	17,632	-	-	-	-	17,632
Stipends fund capital	35,780	150	-	-	1,345	37,275
Parsonages capital	144	-	-	-	18	162
Clergy pension fund deficit	(821)	-	6	368	-	(447)
Permanent funds						
Stipends	1,293	-	-	-	164	1,457
Bramcote Bungalows	837	-	-	-	107	944
Haseldine Homes	495	-	-	-	56	551
Perry Gift Fund	673	-	-	-	85	758
Other permanent endowment funds	416	-	-	-	59	475
	56,449	150	6	368	1,834	58,807
RESTRICTED FUNDS						
Diocesan Board of Education	7,786	147	(178)	-	330	8,085
Pastoral Account	130	-	(41)	-	-	89
Strategic Development funding	-	602	(602)	-	-	-
Other restricted income funds	437	171	(67)	-	10	551
Non-Controlling interest	61	251	(236)	-	(1)	75
	8,414	1,171	(1,124)	-	339	8,800
UNRESTRICTED FUNDS						
General Fund	4,417	9,611	(9,347)	(630)	362	4,413
Designated reserves						
Accumulated Capital	8,498	-	-	-	-	8,498
Mission Development fund	108	-	-	-	-	108
Closed pension scheme deficit funding	1,709	-	-	262	-	1,971
Defined benefit pension scheme liability	(1,709)	-	69	-	(331)	(1,971)
	13,023	9,611	(9,278)	(368)	31	13,019
TOTAL	77,886	10,932	(10,396)	-	2,204	80,626

21. SUMMARY OF FUND MOVEMENTS - GROUP (prior year)

	Balance at 1 January 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2019 £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses	17,344	-	-	288	-	17,632
Stipends fund capital	35,237	250	-	(288)	581	35,780
Parsonages capital	123	-	-	-	21	144
Clergy pension fund deficit	(2,594)	-	1,455	318	-	(821)
Permanent funds						
Stipends	1,063	-	-	-	230	1,293
Bramcote Bungalows	688	-	-	-	149	837
Haseldine Homes	416	-	-	-	79	495
Perry Gift Fund	553	-	-	-	120	673
Other permanent endowment funds	329	-	-	-	87	416
	53,159	250	1,455	318	1,267	56,448
RESTRICTED FUNDS						
Diocesan Board of Education	6,752	186	(221)	-	1,069	7,786
Pastoral Account	250	15	(135)	-	-	130
Strategic Development funding	-	591	(591)	-	-	-
Other restricted income funds	396	130	(95)	-	6	437
Non-Controlling interest	(15)	303	(239)	-	12	61
	7,383	1,225	(1,281)	-	1,087	8,414
UNRESTRICTED FUNDS						
General Fund	4,272	9,257	(9,525)	(81)	494	4,417
Designated reserves						
Accumulated Capital	8,498	-	-	-	-	8,498
Mission Development	113	-	-	(5)	-	108
Closed Pension scheme Deficit funding	1,914	-	-	(205)	-	1,709
Other designated funds	27	-	-	(27)	-	-
Defined benefit pension scheme liability	(1,416)	-	58	-	(351)	(1,709)
	13,408	9,257	(9,467)	(318)	143	13,023
TOTAL	73,950	10,732	(9,293)	-	2,497	77,886

21. SUMMARY OF FUND MOVEMENTS - COMPANY

	Balances at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2020 £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses fund	17,632	-	-	-	-	17,632
Stipends fund capital	35,780	150	-	-	1,345	37,275
Parsonages capital	144	-	-	-	18	162
Clergy pension fund deficit	(821)	-	6	368	-	(447)
Permanent funds						
Stipends	1,293	-	-	-	164	1,457
Bramcote Bungalows	837	-	-	-	107	944
Haseldine Homes	495	-	-	-	56	551
Perry Gift Fund	673	-	-	-	85	758
Other permanent endowment funds	416	-	-	-	59	475
	56,449	150	6	368	1,834	58,807
RESTRICTED FUNDS						
Diocesan Board of Education	7,786	147	(178)	-	330	8,085
Trading Subsidiary income	-	-	-	-	-	-
Pastoral Account	130	-	(41)	-	-	89
Strategic Development funding	-	602	(602)	-	-	-
Other restricted income funds	437	171	(67)	-	10	551
	8,353	920	(888)	-	340	8,725
UNRESTRICTED FUNDS						
General fund	4,504	9,611	(9,347)	(630)	362	4,500
Designated reserves						
Accumulated Capital	8,498	-	-	-	-	8,498
Mission Development	108	-	-	-	-	108
Closed Pension scheme deficit funding	1,709	-	-	262	-	1,971
Defined benefit pension scheme	(1,709)	-	69	-	(331)	(1,971)
	13,110	9,611	(9,278)	(368)	31	13,106
TOTAL	77,912	10,681	(10,160)	-	2,205	80,638

21. SUMMARY OF FUND MOVEMENTS -COMPANY (prior year)

	Balances at 1 January 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2019 £'000
ENDOWMENT FUNDS						
Expendable						
Benefice houses fund	17,344	-	-	288	-	17,632
Stipends fund capital	35,237	250	-	(288)	581	35,780
Parsonages capital	123	-	-		21	144
Clergy pension fund deficit	(2,594)	-	1,455	318		(821)
Permanent funds						
Stipends	1,063	-	-	-	230	1,293
Bramcote Bungalows	688	-	-	-	149	837
Haseldine Homes	416	-	-	-	79	495
Perry Gift Fund	553	-	-	-	120	673
Other permanent endowment funds	329	-	-	-	87	416
	53,159	250	1,455	318	1,287	56,449
RESTRICTED FUNDS						
Diocesan Board of Education	6,752	188	(221)	-	1,069	7,766
Trading Subsidiary Income	-	87	-	(87)	-	-
Mission Development Fund	-	-	-	-	-	-
Pastoral Account	250	15	(135)	-	-	130
Strategic Development funding	-	591	(591)	-	-	-
Other restricted income funds	396	130	(95)	-	6	437
	7,398	1,009	(1,042)	(87)	1,075	8,353
UNRESTRICTED FUNDS						
General fund	4,272	9,257	(9,525)	6	494	4,504
Designated reserves						
Accumulated Capital	8,498	-	-	-	-	8,498
Mission Development	113	-	-	(5)	-	108
Closed Pension scheme deficit funding	1,914	-	-	(205)	-	1,709
Other designated funds	27	-	-	(27)	-	-
Defined benefit pension scheme	(1,416)	-	58	-	(351)	(1,709)
	13,408	9,257	(9,467)	(231)	143	13,110
TOTAL	73,965	10,516	(9,054)	-	2,485	77,912

22. GROUP

SUMMARY OF ASSETS BY FUND - CURRENT YEAR	Fixed assets Tangible & Intangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,632	-	-	-	17,632
Stipend fund capital	11,192	26,083	-	-	37,275
Parsonages capital	-	162	-	-	162
Clergy Pension fund deficit	-	-	-	(447)	(447)
Permanent endowment funds	30	3,825	330	-	4,185
	28,854	30,070	330	(447)	58,807
Restricted					
Diocesan Board of Education	-	7,214	1,424	(553)	8,085
Pastoral account	-	-	89	-	89
Other restricted income funds	1,351	-	(75)	(650)	626
	1,351	7,214	1,438	(1,203)	8,800
Unrestricted funds					
General fund	1,034	5,139	(774)	(986)	4,413
Designated funds					
Accumulated capital	8,498	-	-	-	8,498
Other designated funds	-	108	1,971	-	2,079
Pension reserve	-	-	-	(1,971)	(1,971)
	9,532	5,247	1,197	(2,957)	13,019
Total funds at 31 December 2020	**39,737**	**42,531**	**2,965**	**(4,607)**	**80,626**

GROUP SUMMARY OF ASSETS BY FUND – PRIOR YEAR	Fixed assets Tangible & Intangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,632	-	-	-	17,632
Stipend fund capital	10,518	25,262	-	-	35,780
Parsonages capital	-	144	-	-	144
Clergy Pension fund deficit	-	-	-	(821)	(821)
Permanent endowment funds	31	3,295	388	-	3,714
	28,181	28,701	388	(821)	56,449
Restricted					
Diocesan Board of Education	-	6,881	1,080	(175)	7,786
Pastoral account	-	-	130	-	130
Other restricted income funds	1,419	-	(233)	(688)	498
	1,419	6,881	977	(863)	8,414
Unrestricted funds					
General fund	1,033	3,593	227	(436)	4,417
Designated funds					
Accumulated capital	8,498	-	-	-	8,498
Other designated funds	-	2,022	-	(205)	1,817
Pension reserve	-	-	-	(1,709)	(1,709)
	9,531	5,615	227	(2,350)	13,023
Total funds at 31 December 2019	39,131	41,197	1,592	(4,034)	77,886

22. COMPANY

SUMMARY OF ASSETS BY FUND - CURRENT YEAR	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,632	-	-	-	17,632
Stipend fund capital	11,192	26,083	-	-	37,275
Parsonages capital	-	162	-	-	162
Clergy Pension fund deficit	-	-	-	(447)	(447)
Permanent endowment funds	30	3,825	330	-	4,185
	28,854	30,070	330	(447)	58,807
Restricted					
Diocesan Board of Education	-	7,214	1,424	(553)	8,085
Pastoral account	-	-	89	-	89
Other restricted income funds	-	-	551	-	551
	-	7,214	2,064	(553)	8,725
Unrestricted funds					
General fund	1,034	5,139	(688)	(985)	4,500
Designated funds					
Accumulated capital	8,498	-	-	-	8,498
Other designated funds	-	108	1,971	-	2,079
Pension reserve	-	-	-	(1,971)	(1,971)
	9,532	5,247	1,283	(2,956)	13,106
Total funds at 31 December 2020	**38,386**	**42,531**	**3,677**	**(3,956)**	**80,638**

COMPANY SUMMARY OF ASSETS BY FUND – PRIOR YEAR	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Endowment funds					
Expendable endowment funds					
Benefice houses	17,632	-	-	-	17,632
Stipend fund capital	10,518	25,262	-	-	35,780
Parsonages capital	-	144	-	-	144
Clergy Pension fund deficit	-	-	-	(821)	(821)
Permanent endowment funds	31	3,295	388	-	3,714
	28,181	28,701	388	(821)	56,449
Restricted					
Diocesan Board of Education	-	6,881	1,080	(175)	7,786
Pastoral account	-	-	130	-	130
Mission development fund	-	-	437	-	437
Other restricted income funds	-	6,881	1,647	(175)	8,353
Unrestricted funds					
General fund	1,033	3,593	341	(463)	4,504
Designated funds	-	-	-	-	-
Accumulated capital	8,498	-	-	-	8,498
Other designated funds	-	2,022	-	(205)	1,817
Pension reserve	-	-	-	(1,709)	(1,709)
	9,531	5,615	341	(2,377)	13,110
Total funds at 31 December 2019	**37,712**	**41,197**	**2,376**	**(3,373)**	**77,912**

23. DESCRIPTION OF FUNDS

Expendable Endowment Funds – investment income is usable only for the specific purposes for which the endowment was given and the trustees may convert the capital into spendable income depending on various restrictions:

Benefice houses fund	represents the value of benefice houses at the balance sheet date together with the Parsonages Building funds held by the Church Commissioners. These houses are used to provide accommodation for parochial clergy. The Board is not free to dispose of the houses except in accordance with appropriate measures.
Stipends fund capital (Glebe funds)	represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The funds generate income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.
Parsonages Capital	the income to be applied to meet personage houses costs.
Clergy pension fund deficit	details contained in note 27

Permanent Endowment Funds – investment income only is usable for the specific purposes for which the endowment was given:

Stipends	to augment clergy stipends.
Bramcote Bungalows	to provide housing for retired clergy or their spouses.
Haseldine Homes	to contribute to the payment of pension contributions for stipendiary clergy in the diocese.
Perry Gift Fund	to provide grants to clergy and lay persons deserving of financial assistance.

23. DESCRIPTION OF FUNDS

Other Permanent Endowment Funds

Ministers in training	to provide grants to ministers in training.
Miss E L Brown Trust	to be applied at the discretion of the Bishop of Southwell.
Nottingham University Chaplaincy	to pay the expenses of the Nottingham University chaplaincy.
Sacrista Canonry	to be applied for the Canon appointed to occupy the stall of the Canonry of Sacrista in Southwell Minister.
Southwell House/Hostel Charity	to be applied to property outgoings.
Yapp Donation	to be applied for a former employee's annuity, with any surplus to be used for the benefit of persons who are physically or mentally handicapped.

Restricted Funds – can only be used for the specific purposes for which they were given:

Diocesan Board of Education	to administer the scheme for the Diocese's Church Schools' building programme and to operate for the benefit of Church Schools.
Pastoral account	set up under the provisions of the Pastoral Measure 1983 and represents proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983.
Strategic Development Fund	represents sums of money made available by the Archbishop's Council set aside for mission development.
Landon Bequest	to fund Church of England students and Ordinands to serve overseas.
Natal Link Fund	represents donations from parishes and individuals for general work and specific projects in the Diocese of Natal.
Readers Association	to meet central costs for Readers.
Industrial Chaplaincies	to meet central costs for industrial chaplaincies.

23. DESCRIPTION OF FUNDS

Designated Funds – general funds that the Trustees have chosen to use for a specific purpose:

Accumulated Capital Fund	represents amounts transferred from the general fund, gains less losses on investments and the directors' valuation of property transferred at no cost. This fund is designated for use to purchase fixed assets.
Mission Development Fund	Amounts in addition to the restricted fund set aside for Mission Development.
Other designated funds (Ordination Candidates Support Funding)	to meet support costs of Ordinands.
Closed Pension Fund Deficit Funding	amounts transferred from the general fund to meet future deficit contributions.

General fund - the general fund is the Board's unrestricted undesignated fund available for any of the Board's purposes without restriction.

24. CAPITAL COMMITMENTS

At 31 December 2020 the Group had capital expenditure commitments authorised but not contracted for of £NIL (2019 - £NIL) and contracted for but not yet due of £36,207 (2019 - £NIL).

25. OPERATING LEASES

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

	GROUP 2020 £'000	COMPANY 2020 £'000	GROUP 2019 £'000	COMPANY 2019 £'000
Other operating leases where the lease expires:				
Within one year of the balance sheet date	29	2	29	9
In the second to fifth years inclusive of the balance sheet date	100	-	95	-
Over five years from the balance sheet date	425	-	450	-
	554	2	574	9

25. OPERATING LEASES (continued)

Analysed as follows	GROUP 2020 £'000	COMPANY 2020 £'000	GROUP 2019 £'000	COMPANY 2019 £'000
Land & Buildings				
Other operating leases where the lease expires:				
Within one year of the balance sheet date	27	-	20	-
In the second to fifth years inclusive of the balance sheet date	100	-	95	-
Over five years from the balance sheet date	425	-	450	-
	552	-	565	-

	GROUP 2020 £'000	COMPANY 2020 £'000	GROUP 2019 £'000	COMPANY 2019 £'000
Other				
Other operating leases where the lease expires:				
Within one year of the balance sheet date	2	2	9	9
In the second to fifth years inclusive of the balance sheet date	-	-	-	-
Over five years from the balance sheet date	-	-	-	-
	2	2	9	9

26. CONTINGENT LIABILITIES

The Board has given guarantees on grants made by Nottingham City Council from public funds to various parishes totalling £4,150 (2019 -£6,225). The Board is also party to a guarantee in respect of Bluecoat Academy, as in common with all Church of England schools, the Board owns the land the school building is built upon.

27. PENSIONS

The Board participates in two pension schemes, both of which hold the assets of the schemes separately from those of the Board and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy, the other is The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme for lay staff.

Church of England Funded Pension Scheme

This scheme is administered by the Church of England Pensions Board. Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

27. PENSIONS (continued)

Church of England Funded Pension Scheme (continued)

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2020 £912,000, 2019 £924,000) plus the impact of deficit contributions (see below).

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

- An average discount rate of 3.2%pa
- RPI inflation of 3.4% pa (and pension increases consistent with this)
- Increase in pensionable stipends of 3.4% pa
- mortality in accordance with 95% of the S3NA_VL tables, with allowance for future improvements in mortality rates in line with the CMI2018 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5%pa.

From January 2018 to 31 December 2022 the rate in respect of the deficit recovery will be 11.9%. From January 2021 to December 2022 the rate will be 7.1%. The discounted deficit payments in respect of the shortfall have been recognised as a liability in the balance sheet.

A reconciliation of the balance sheet liability is set out below:

	GROUP& COMPANY 2020 £'000	GROUP& COMPANY 2019 £'000
Balance sheet liability as at 1 January	821	2,594
Contributions paid	(375)	(369)
Interest cost (recognised in the SOFA)	7	51
Re-measurement of the balance sheet liability	(6)	(1,455)
Balance sheet liability as at 31 December	447	821

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

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

27. PENSIONS (continued)

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

Recognition of the liability to fund pension fund deficits on defined benefit pension schemes

FRS 102 requires an entity that has entered into an agreement to reduce the historic deficit on a multi-employer pension scheme, to recognise the liability in accordance with FRS 102 section 28.13 and 28.13A. The Board has a payment plan with the Church of England Pension's Board to pay the Clergy Pension Scheme deficit over a ten-year period (until 2022). Upon transition, the Board has recognised the present value of deficit funding contributions. As at 31 December 2020, this amounted to £447,000 for the Clergy Pension Scheme (2019: £821,000).

The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme- Defined Benefits Scheme

The Board operates a defined benefit pension scheme in respect of eligible employees whose employment began on or before 1st April 1993. The Board is required to follow Financial Reporting Standard 102 in disclosing the financial position of the scheme. The trustees of the scheme are required to act in the best interests of the Scheme's beneficiaries. The Scheme Trust Deed requires that one trustee be appointed from amongst the active members of the scheme - a member-nominated trustee. One trustee is appointed from amongst the membership of Bishop's Council (the Board of Directors) and the third and final trustee is the officeholder of the post of Chief Executive of the Board of Finance.

The contribution is determined by a qualified actuary on the basis of triennial valuations using the 'Attained Age Method' and the most recent valuation was at 31st March 2017. During the year the Board paid contributions of £123,000 (2019 - £118,000). The Board's agreed future contribution rate equates to 34% of pensionable salaries (previously 24%) and member employees contribute 5% to the Scheme.

The annual contribution to the scheme is charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Board.

	2020	2019
The main financial assumption are		
	Basis	Basis
Discount rate	1.20%	2.10%
Inflation (RPI)	3.40%	3.40%
Inflation (CPI)	2.40%	2.40%
Pension increases	3.40%	3.40%
Salary increases	3.30%	3.0%

From 1 January 2019 the assets are invested with Schroders with 75% in equities and 25% in bonds.

The overall expected return on assets assumption has been determined with reference to the underlying asset allocation on the assets held and the expected long-term rate of return on those asset classes at the year end. The assets do not include any investment in the Board. The fair value of the assets at 31 December 2020 is £3,433,000 (2019- £3,368,000).

27. PENSIONS (continued)

Amounts recognised in the Statement of Financial Activities:

	2020 £000	2019 £000
Current service (cost)	(19)	(20)
Interest (cost)	(104)	(132)
Administration costs	-	-
Interest on assets	69	92
	(54)	(60)

Reconciliation of assets and defined benefit obligations:

Fair Value of assets:	£000	Defined benefit obligations:	£000
As at 1 January 2020	3,368	As at 1 January 2020	5,077
Interest on assets	69	Current service costs	19
Employer contributions	123	Contributions by Scheme participants	2
Contributions by Scheme participants	2	Interest cost	104
Benefits paid	(256)	Benefits paid	(256)
		Experience loss on liabilities	(227)
		Changes to demographic assumptions	(109)
Return on plan assets less interest	127	Changes due to financial assumptions	794
As at 31 December 2020	**3,433**	As at 31 December 2020	**5,404**
Net liability			£1,971

Scheme deficit funding of £1,971,000 has been set aside in a designated fund.

Summary of pension liabilities	2020 £000	2019 £000
Church of England Pension scheme	447	821
SNDBF Retirement Scheme	1,971	1,709
	2,418	2,530
Included in:		
Current liabilities	375	369
Long term liabilities	2,043	2,161
	2,418	2,530

28. PRIOR YEAR COMPARATIVE CONSOLIDATED SOFA

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
Income and endowments from					
Donations	2				
Deanery share		5,664	-	-	5,664
Archbishops' Council		1,280	591	-	1,871
Other donations		139	-	-	139
Charitable activities	3	731	46	-	777
Other activities	4	447	2	-	449
Investments	5	996	282	-	1,278
Other	6	-	304	250	554
		9,257	1,225	250	10,732
Expenditure on					
Raising funds	7	379	66	-	445
Charitable activities	8	8,986	780	-	9,766
Clergy pension scheme movement	27	-	-	(1,455)	(1,455)
Church schools & Diocesan projects	9	-	195	-	195
Other	10	102	240	-	342
		9,467	1,281	(1,455)	9,293
Net income/(expenditure) before investment gains		(210)	(56)	1,705	1,439
Net gains/(losses) on investments		494	1,075	1,267	2,836
Net income/(expenditure)					
Transfers between funds	14	284	1,019	2,972	4,275
Non-controlling interest		(318)	-	318	-
Other recognised gains/(losses)		-	12	-	12
Gains/(losses) from changes in financial assumptions on defined benefit pension scheme		(351)	-	-	(351)
Net movement in funds		(385)	1,031	3,290	3,936
Total funds brought forward		13,408	7,383	53,159	73,950
Total funds carried forward	21	13,023	8,414	56,449	77,886

29. RELATED PARTY TRANSACTIONS

Church Urban Fund (CUF) Joint Venture

The Board of Finance and CUF are the founding members of a subsidiary of CUF, "Transforming Notts Together", which is a charitable company limited by guarantee and in partnership between the Board of Finance and CUF. There are 9 directors of which 4 are appointed by the Board of Finance, including the Chair, Revd David McCoulough who is also an employee of the Board of Finance. He also has oversight of the work of nine part time staff who are employed by Transforming Notts Together. TNT paid the Board £84,490 (2019- £40,477) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2020 was £26,348 (2019-£9,973).

The Diocese of Southwell & Nottingham Education Trust

This Charity has been set up in response to the likely challenge of a large number of Church of England Schools converting or otherwise becoming Church of England Academies under the Academies Act 2010. The Charity will perform a role in the Diocese in supporting Church of England Academy Trusts to fulfil their responsibilities in relation to their schools/academies and as a member of each of the Church of England Academy Trusts also to challenge and to hold governors to account in this regard. The Charity is also intended to operate as a sponsor or co-sponsor of Church of England Academies in the Diocese and elsewhere as required. The Trustees are Ian Griffiths, Revd Canon Mark Tanner, John Loughton, Martin Cooper and the Diocesan Director of Education. There were no transactions in the financial year.

The Diocese of Southwell & Nottingham Multi Academy Trust

The company was set up in August 2013 and is a limited by guarantee without share capital. The company houses the church schools which have converted to Academy status. The directors are Ian Griffiths, Roger Periam, Hilary Craik, Chris Moodie, Angela Pae, John Hunter, Joanne Saville, and Nigel Frith.The Multi Academy Trust paid the Board £19,966 (2019- £36,492) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2020 was £NIL (2019-£7,218).

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 of Finance to support the furtherance of the Board of Finance's objects.

Other related parties

Canon M Arlington, Chair of the Finance Committee is a Governor of the Samworth Church Academy in Mansfield. The balance outstanding at 31 December 2020 was £8,261 (2019-£8,097). Transactions during the year were £32,880 (2019-£32,320) in respect of reimbursement for salaries and expenses.

Subsidiaries

During the year, the Board received loan interest from Wind FX Limited of £86,484 (2019 £86,484). Wind FX Limited also paid the Board £3,000 (2019 £10,000) towards accountancy costs in the year. At 31 December 2020 Wind FX Limited owed the Board £864,848 (2019 £864,848). SNDBF Solar Limited owes the Board £226,190 (2019-£226,190) at 31 December 2020 and the Board owes SNDBF Solar £102,045 (2019-£77,549).

30. FUNDS HELD AS CUSTODIAN TRUSTEE

The Board acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. Each year an annual statement of value is made available to all PCCs. The market value of investment held on behalf of PCCs and others is £8.41 million, cost £4.1million (2019- £8,56 million, cost £4.13million).

31. DEVOLVED CAPITAL FORMULA

Since April 2006, the Education Funding Agency (EFA) have paid devolved Formula Capital (DFC), directly to schools or dioceses before the funds are spent on capital projects. This year education restricted funds received £444,635 on behalf of 8 schools (2019- £406,877 on behalf of 9 schools). These funds are maintained in individual school ledgers with payments and governors 10% contributions shown.

The Schools Executive Officer monitors these accounts and advises schools of current balances and authorises payments. At the year end the balance of these DFC accounts was £104,371 (2019- £133,715) which is not included in these accounts.

32. COLLABORATION AGREEMENT

In 2010 the Board entered into a collaboration agreement with 5 other parties to develop land for housing. The terms of the agreement are such that the Promoter has first call on any receipts from the housing developer, as they are responsible for putting the infrastructure into the site for it to be developed for new homes. Any surplus left at the end of the project will be shared amongst the members of the collaboration agreement, but at 31 December 2020, the timing and receipt of these funds cannot be measured with any certainty. During 2020 the four parcels of land owned by the Board were sold to the housing developer, but in accordance with the Collaboration agreement the proceeds were added to the collaboration account to cover continuing infrastructure costs, not remitted to the Board. There is a fixed charge dated 11 April 2018, in favour of Homes and Communities Agency relating to the collaboration agreement, regarding a small piece of land that is part of the agreement owned by the Board.

THE CHURCH OF ENGLAND

Diocese of Southwell & Nottingham

SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE

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ADMINISTRATIVE DETAILS
For the year ended 31 December 2020

Trustees
In accordance with the Companies Act 2006, The Statement of Recommended Practice 2019 (SORP 2019) and Financial Reporting Standard 102 (FRS 102), the Trustees (for the purposes of charity law) and Directors (for the purposes of company law) during the year and as at the date of signing follow:

PRESIDENT
The Bishop of Southwell and Nottingham, Right Revd Paul Williams

BISHOP'S COUNCIL AND STANDING COMMITTEE OF THE DIOCESAN SYNOD (BEING THE FINANCIAL EXECUTIVE OF THE DIOCESAN SYNOD AND THE BOARD OF DIRECTORS OF THE BOARD OF FINANCE)

EX-OFFICIO
The Rt Revd The Bishop of Southwell & Nottingham
The Rt Revd The Bishop of Sherwood
The Very Revd The Dean of Southwell
The Venerable The Archdeacon of Newark **(a)(b)** (resigned 15 January 2020, currently vacant)
The Venerable The Archdeacon of Nottingham **(a)**
The Chair of the House of Clergy of the Diocesan Synod Revd Canon M Adams (to 30 November 2020), Revd S Hustwayte (appointed 10 February 2021) **(a)**
The Chair of the House of Laity of the Diocesan Synod (Mr M Wilson) **(a) (b)**
The Chair of the Finance Committee (Canon M Arlington) **(a)**

Co-opted
The Revd P Shaw

ELECTED BY THE SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD

CLERGY (5)
Newark Archdeaconry (2)
Revd A Fletcher
Revd Canon M F Shouler

Nottingham Archdeaconry (3)
Revd Canon S Silvester
Revd C Bourne
Revd S Hustwayte **(a)**

LAITY (9)
Newark Archdeaconry (4)
Mr P Stanley (resigned 29 September 2020) **(a)**
Mr R Brand
Mr C Perrett
Professor P Harris

Nottingham Archdeaconry (5)
Mr C Slater **(a)**
Mrs S Dunster
Miss S Waterston
Mrs J Gray
Mr C M Bolton

(a) Member of the Finance Committee
(b) Member of the Board of Education

PRINCIPAL OFFICERS AND ADVISERS

Diocesan Chief Executive & Company Secretary	Mr M L Cooper BA (Hons) FCA ATII
Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance	Mrs A J Redgate LLB

ADMINISTRATIVE DETAILS
For the year ended 31 December 2020

HEADS OF DEPARTMENTS

Director of Discipleship & Ministry	Revd Canon Dr R Kellett BTh (Hons), BSc (Hons), MA, PhD
Director of Partnerships & Mission	Revd D McCoulough BA (Hons) MA
Director of Education & Mission	Mr N Frith BA MA NPQH (appointed 2 March 2020)
Director of Communications	Mr R Ellis (resigned 31 May 2020)
Director of Parish Support	Mr F McNish
Director of Finance	Mrs R A J Bowes FCCA

BANKERS
Lloyds Bank, Nottingham

INVESTMENT MANAGERS
CCLA Central Board of Finance of the Church of England
Cazenove Capital Management Ltd
Mayfair Capital Investment Management Ltd
Ruffer LLP

SOLICITORS
Rotheras, Nottingham

CHARTERED SURVEYORS
Jas. Martin & Co, Lincoln
Tanners, Nottingham
Geo Hallam & Sons, Nottingham

MINING, MINERALS, ENGINEERING & ENVIRONMENTAL CONSULTANTS
Mineral Surveying Associates

INSURERS
Ecclesiastical Insurance Group

AUDITOR
BHP LLP
2 Rutland Park
Sheffield
S10 2PD

REGISTERED ADDRESS
Jubilee House
Westgate
Nottingham
NG25 0JH

CHAIRMAN'S FOREWORD
For the year ended 31 December 2020

The past year has represented a time of extraordinary challenge that has affected the lives of everyone living in the diocese and all those who share in the mission of the Church across our parishes, schools and diverse communities. 2020 started well with some clear progress in areas of our diocesan mission as we continued to fulfil the aspirations set out within our Growing Disciples strategy. At the centre of all our planning and praying is a commitment to announce the Good News of God's love in Jesus Christ and to invite all people to respond to his saving grace. At the beginning of the second decade of the 21st century we are convinced that there is nothing better anyone can do with their life than become a follower of Jesus Christ. This reality is seen in the stories of people of all backgrounds and ages coming to new faith in God. It also lies at the heart of decision making, management of resources, creative developments, as well as the steady and faithful ongoing ministry of every parish.

As a diocese we are a mission enterprise whose roots are woven in the fabric of what has made and shaped communities across the region over many centuries. We are also a dynamic network of local churches whose common purpose is to live for Christ in our present age, mutually supportive of one another above all in seeking fresh ways to make Christ known, as well as demonstrating his transforming love in ways that can bring hope and healing to all. A significant expression of our God-given ministry is through our Church schools who have excelled in their mission through the past year, serving with immense courage and creativity through every twist and turn created by the coronavirus pandemic.

March 2020 brought about a dramatic change to every one living in our nation, as the first restrictions were put in place to suppress the rising rates of coronavirus infections. Within a few weeks the government announced a national 'lockdown' which meant that all in-person services were suspended. Within a short time clergy, lay ministers and congregations across the diocese found new ways to sustain the life of the church and serve the most vulnerable in our communities. This included new on-line services and small groups to nurture faith in such difficult times, as well as practical care with churches supplying foodbanks, offering care packages and joining with other key stake holders to provide support to those who were self-isolating or living alone. Our church buildings may have been closed for a time but the church was very much alive.

Coming out of the first 'lockdown', while recognising the challenges that were still ahead until vaccinations could be found, many churches established patterns of ministry that included both on-line and in-person services and groups. In the meantime, the Bishop's Core Team began to develop a series of work streams that would support the accelerated change created by the circumstances of coronavirus. The Bishop's Council, with significant engagement from Area Deans, Jubilee House staff and other clergy and lay leaders, was able to help shape this work so that it can be most effective while we discern how God is equipping his Church for a new season of fruitful ministry. The key streams of work do not create a new operational strategy but are intended to facilitate the accelerated change that is already happening within our commitment to Growing Disciples.

Seven streams of work

1. *Transformation Change Appointments* – Increasing the number of clergy appointments that enable significant change that can facilitate growth; many of these will be time-specific appointments that ensure we do not reduce the level of stipendiary ministry while maintaining flexibility in future deployment planning in the medium term.

2. *New models of Local Missional Leadership* – Developing more quickly our planning in training and commissioning people who are equipped and called to lead local mission, within new initiatives and existing parishes.

3. *Youth and Children Growing Disciples Task Group* – To build on the good heritage of children and youth ministry in the diocese, as well as the recent experience with the YoungLife learning communities, to address the significant need to revitalise our mission among and with children and youth; including the new possibilities working in partnership with our Church schools. A task group was established under the leadership of the Bishop of Sherwood, resulting in an application for Strategic Development Funding to help facilitate a new and ambitions programme of mission.

4. *Communications Review* – To review all aspects of our present communication strategy in light of the new opportunities the past 12months has generated with social media platforms, especially as we engage our 'core constituency' as well as those presently beyond the life of the church

5. *Increasing Diversity* – With renewed vision for a more diverse church, which includes addressing systemic issues that unintentionally limits our mission and undermines the gospel. This is particularly in response to the issues raised by the death of George Floyd and the challenge it created for the Church.

6. *Well-being and Resilience* – Under the direction of the Principal for Well-being and Ministry Development the diocese is developing new resources and increasing awareness in addressing Relational, Physical, Mental and Spiritual Health.

7. *Prayer Stream* – Prayer is the engine of the Church in mission and in the context of increased challenge and change in society, we are seeking to foster an increasing engagement with patterns of prayer that can sustain and inspire radical discipleship.

Supporting the present and future shape of ministry in the diocese, we are grateful that God has continued to call people into new spheres of service, as incumbents, curates, head teachers, into other forms of leadership in local churches and across chaplaincies. We have also been pleased to welcome a new Diocesan Chief Executive, Director of Education, Senior Safeguarding Lead, as well as celebrating the consecration of a new Bishop of Sherwood. All of these people bring new insights and gifts to the life of the diocese at this time and we are deeply thankful for the contribution they have made even with the limitations placed on being able to meet in-person with congregations and colleagues. Ensuring that we embed good Safeguarding practices into every part of the life of the diocese is essential to our mission. Our new Senior and Assistant Diocesan Safeguarding Advisors have brought new skills and experience to this work in 2020, while we have also undertaken the first phase of the important Past Cases Review 2.

As the Church that bears the name of our Saviour, Jesus Christ, we can be a community abounding in hope in a climate that is easily overwhelmed by sadness and uncertainty. It is why, as theologian Jurgen Moltmann puts it, Christians are 'enduringly capable of future'. I am confident that for this reason we are well placed to respond to the unknown challenges that are facing our society in the months ahead, as well as the opportunities that God presents for his Church to bring eternal hope to our world. The extraordinary generosity across many of our churches in meeting Parish Share through such a difficult year in 2020 has been particularly heartening. Of course some have struggled and the year to come will remain challenging for all as we seek to resource the ministry we believe is needed. I pray that our financial giving ever more reflects our hope-filled vision of a Church that has Good News for people everywhere, as we play our part in bringing Jesus-shaped change to our world, starting always in the neighbourhood where we live, work and worship.

With every blessing



The Rt Revd Paul Williams
Bishop of Southwell & Nottingham

TRUSTEES' REPORT
For the year ended 31 December 2020

The Trustees, who are also Directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in 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.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

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

The Board has the following statutory responsibilities: -

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

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

PUBLIC BENEFIT

The Trustees are 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 Trustees believe that, by promoting the work of the Church of England in the Diocese ,of Southwell & Nottingham, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

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

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Board for the purposes of Company Law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP 2019 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far aware the trustees are aware:

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

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

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out in the section on Structure and Governance. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

VOLUNTEERS

The Board 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 the church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly in times of crisis. Within this context, the Board greatly values the considerable time given by all the committee members across the diocese in pursuit of the mission of the Board.

MISSION STATEMENT

Our mission statement calls for each member of the church at every level of diocesan life to **join together in the transforming mission of God**, making their own unique contribution to **living worship, growing disciples and seeking justice.**

STRATEGIC AIMS

The Board resources the Christian tasks of mission and ministry through 250 parishes and other networks.

The annual budget has been set against this background, designed to provide adequate resources to fund the present, as well as to shape the future, in a way that is fit for the mission task. As always it prioritised the appropriate provision of stipendiary parish clergy and licensed lay workers across the diocese. In terms of our future shape, it recognised the changing patterns of ministry deployment, the need to support local leadership in the deaneries and to engage in partnership with various civic, community and business interests.

The Board's strategy for achieving its objectives is to adopt a methodology of limiting central sources of expenditure in favour of both releasing funds for mission and minimising the increase in Parish Share. The Board continues to maintain the sound financial structure needed to enable it to continue supporting the clergy and lay workers through the payment of stipends, managing parsonages and other ministerial housing. It provides resources in support of the ministry of both clergy and lay people in parishes across the diocese.

OBJECTIVES FOR YEAR

The objective of the Board is to provide financial resources for the achievement of the priorities of the Bishop and Diocesan Synod.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

2020 threw up real challenges for all Dioceses but we adapted to digital communications and social media channels to share inspirations and news with communities and followers across the diocese. During the year we have developed the workplace chaplaincy further by supporting a new chaplaincy team in Sherwood and in partnership with Nottinghamshire Police have relaunched chaplaincy support to the force. Transforming Notts Together has taken on more staff to develop Near Neighbours community cohesion work and,

with Covid Recovery funds, established Grief and Bereavement Support Workshops and supports 10 churches exploring setting up bereavement groups or Grief Cafes. We have also supported the BAME Advisory Group in the diocese, met with Majority Black Led Church Leaders in Nottingham and participated in Nottingham Citizens' hosted meetings in response to the killing of George Floyd. After an encouraging start to 2020 in terms of churches engaging with giving initiatives, Covid-19 struck and all normal processes ground to a halt. After a few weeks, as we adjusted to the new world of lockdown, we quickly endorsed and publicised the C of E's online giving offering through SumUp and Give a Little, with an encouraging take up by parishes. This has continued to grow throughout the year, and enabled churches to bring in donations from a new source as they lost income from envelope giving, hall rental and fundraising events. This has also allowed churches to place "donate now" buttons on their websites and ACNY entries, place QR codes across social media and printed materials and grow in their learning of digital platforms for giving in a way that would never have been envisaged under normal times.

As we enter 2021, we are encouraging churches to prepare for giving initiatives once more, without the social contact of previous years, but utilising the enthusiasm and dedication of hard working folk in our churches and communities to grow generosity through discipleship and learning.

After quiet summer months, September brought a flurry of updates and inspiring news stories, beginning with St. Wilfred's Church, Scooby and All Saint's Church, Babworth, who were both featured on BBC's Songs of Praise on Sunday 13th September as part of their 400 years Pilgrim Centenary Celebrations.

In the same month, we celebrated the ordination of the new Bishop of Sherwood, the Rev'd Andrew Emerton. Andy began his journey to ordination from Southwell Minster and travelled north to a service at York Minster, which was lived streamed to thousands of viewers from across the globe, overcoming some of the social distancing restrictions that were in place at that time.

This year ordinations, which usually take place in July, were delayed until September, and by necessity, took on a very different feel. With attendance inside the minster still largely prohibited, our celebrations had a more reflective tone and we witnessed a most challenging return to school for our staff and pupils, which was reported by ITV Central News who visited Hucknall National CofE Primary school to see the wellbeing and safety measures put swiftly into place for pupils attending classes after many months of home schooling.

Both Bishops have been interviewed by BBC Radio Nottingham throughout the year, offering messages of hope and support in these difficult times.

Our Christmas campaign, Light in the Darkness, saw Bishop Paul in more reflective mood as he brought this most challenging year to its close. Many thousands of people watched this year's video and enjoyed a series of prayers and reflections we shared throughout the Advent period. The Discipleship and Ministry team has continued to be active in training and developing both lay and ordained ministers moving its provision promptly to online teaching to meet the challenges of the COVID-19 restrictions. They ran a successful diocesan conference online with over 200 people in attendance and Bishop Emma Ineson speak on Godly Ambition, and the Church Schools Leaders Conference was also held on Zoom. They continue to develop vocations to lay and ordained ministries welcoming 14 new trainee for Licensed Lay Ministry and 11 new ordinands. Despite the pandemic, 4 New

Worshipping Communities were started in 2020 bringing the total launched to 21.

We supported 5 members of the clergy with their retirement plans and assisted with moving 18 clergy families in housing in the Diocese.

FUTURE PLANS

In 2021, the focus on our response to climate change will continue, aiming to cut our carbon footprint and promote eco church and to encourage further our understanding of caring for creation as central to whole life discipleship. The Diocesan Advisory Group will also instigate a strategy for our church buildings across the Diocese and aim to improve our church building carbon footprint and increase awareness and use of environmental products and services.

There will be continued need to work with cross agency partners to tackle homelessness and modern slavery, and to support local church responses to the needs of rough sleepers refugees and asylum seekers, in the city and county.

We will also support the ministry of chaplains and sector ministries by holding a chaplaincy gathering with the Bishop of Sherwood in the summer and aim to appoint a chaplain in Hucknall to complete our network of chaplains, and we are exploring ways of supporting the partnership between churches and schools. We will also encourage parishes to consider local models of town centre or high street chaplaincy such as those in Beeston and Sherwood.

KEY PERFORMANCE INDICATORS

The Board regards its key performance indicators as follows:

	2020	2019
Percentage of parish share received	87.3%	94.5%
Average rate of return on investments	2.75%	3.3%

Both of the KPIs above have been impacted by the effect of Covid 19, but we appear to have weathered the storm, as increased economic activity is on the horizon. As required, Board reviewed the investment returns with the investment managers in November 2020, and the Board decided to change one of the investment managers and leave the targeted return on the investments unchanged. The investments in renewable energy are continuing to show a return.

FINANCIAL PERFORMANCE

The main income to the Board is from parishes giving Parish Share, which has decreased by £226,000 this year. The Trustees are immensely grateful to all the parishes who, during the Covid 19 pandemic continued to contribute to parish share, and supported Ministry in the Diocese. We cannot achieve this without their support.

INCOME	% of Total		2020 £000	2019 £000
Parish Share	50.2		5,438	5,664
Archbishops' Council	19.8		2,149	1,871
Allchurches Trust	1.3		140	136
Fees	2.6		278	315
Investment income	10.0		1,089	1,278

The Trustees acknowledge with thanks the annual distribution from Allchurches Trust. The other grants received from Archbishops' Council during 2020 are £601,000 Strategic Development Fund monies, which is matched funded by the Board and £1,266,000 Lowest Income

Communities funding to support mission in our poorest parishes. We also received a Covid 19 Sustainability grant from Church Commissioners of £250,000 to contribute towards our exceptional losses this year, and we are in receipt of Strategic Ministry funding for additional curates of £23,000.

Due to the Covid 19 pandemic, and the massive changes in operations due to remote working, many things were done differently in 2020, and the effect on the budgeted expenditure and income was huge. The Board took advantage of the Governments job retention scheme, which covered £95,000 of salary costs, and all our staff moved to remote working. We invested in online meeting platforms and internet based telephone systems and the support for Ministry in the Diocese continued. The Board managed a net gain before investment gains and losses of £333,000 in the general fund (2019: loss £210,000), largely due to the Covid Sustainability Funding we received from Church Commissioners.

The capital values of investments have had a better year than last, and the year end position of £42,531,000 is an overall increase of £1,334,000. The investments have rallied after the valuation drop during March 2020, but there has been an impact on investment income in 2020. The capital values of agricultural land has remained the same. The unrealised gain on investments at the year end was £2,536,000. The Board received £1,448,463 during the year relating to the sale of glebe assets.

REVIEW OF THE BALANCE SHEET

The Trustees consider that the balance sheet, together with details in note 22, show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £80,626,000 (2019: £77,886,000) it must be remembered that included in this total are a considerable number of properties, mostly in use for the ministry and mission of the Board, whose value amounted to £34.5 million (2019: £37.5 million). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the Board.

Restricted and endowment funds

As set out in note 23 the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2020 restricted funds totalled £8.8m (2019: £8.4m) and endowment funds totalled £58.8m (2018: £56.4m). Net outgoing resources in the education restricted fund, before investment gains, amounted to £31,000 (2019- £33,000) and resources were mainly used to finance the salaries of those Education Department staff with responsibility for church schools and academies.

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer required. A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2020 total designated reserves were £10.6m (2019: £10.3m). There is a balance of £1.9m set aside in a designated fund to finance the funding shortfall on the closed lay staff defined benefit pension scheme to eliminate the deficit by March 2025.

Free reserves

The Board of Finance has considerable responsibilities including the remuneration of over 120 stipendiary clergy, the employment of 65 full or part time staff and the upkeep of nearly 200 houses. Most of the Board's income is voluntary with half coming from Parish Share and the balance made up of grant income from Archbishops' Council and income investments and other sources. In light of this and the flow of income, the Trustees have determined that

it is prudent to hold free reserves at least equivalent to general fund expenditure over two months i.e. £1.5m.

At 31 December 2020, the Board of Finance's free reserves were £3.3 million (2019 £3.4m). The trustees consider that with the continued uncertainty around the economic situation together with the changes in the way that Diocese are resourced from Church Commissioners, and the continuing pressure on parish share, the increased holding of free reserves is prudent.

Subsidiaries
During 2015, the Board set up two subsidiary companies. SNDBF Solar Limited is a wholly owned subsidiary that manages the £226,000 invested in the installation of solar panels on 50 benefice houses. Wind FX Limited is 60% owned by the Board and operates a 500Kw wind turbine. The investments into these companies, by way of loan capital, totalled £1,090,000.

Investment policy and performance
The Board is empowered by its Memorandum of Association to invest monies not immediately required for its purposes. In addition, the Board acts as trustee of a number of trust funds, and these must be invested in accordance with the related trusts. The Board's policy is to review regularly the assets of each fund. Notes 22 and 23 provides details of the assets of each fund, together with the related purposes, and note 16 summarises the movements in investments during the year.

The implementation strategy for the diocesan assets is managed by a subgroup of Finance committee on behalf of Bishop's Council. The strategy is to grow the value of the diocesan assets and their annual income with a due regard to the level of risk associated with the ownership of particular assets. The Board appoints managers to advise and manage investments who are instructed to apply the ethical investment policy of the Church of England. Investment managers are tasked with a return of RPI +4%.

The Diocese has historically been an owner of agricultural land, currently 3,721 acres including 3 farms. The growth in value of agricultural land since 2006, has resulted in nearly 50% of the total value of assets being in land. The current policy is to reduce the amount of land over time when the opportunity arises to sell freehold land; the proceeds being invested in a wide range of financial assets which are more liquid and of a higher annual income return than land. A small investment is also held in a specialist commercial property fund managed for charity clients. Dunham House, a residential apartment block in Southwell, is managed to produce a rental return.

Funds which may be needed for working capital in the short-term are held as deposits with the Central Board of Finance of the Church of England and the Board's bankers, Lloyds Bank plc.

FUNDS HELD ON BEHALF OF OTHERS
As Custodian Trustee: The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £8.4m at 31 December 2020 (2019: £8.5m), are available from the Board on request.

On behalf of Schools: The Board of Education (as incorporated within the Board) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also Government grants in connection with the same. The Board of Education administers these monies as managing agent and makes

appropriate payments to contractors for work carried out.

The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in creditors as at 31 December 2020 is £104,371 (2019: £133,715). The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £444,635 in 2020 and £406,877 in 2019.

GRANT MAKING 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 of Finance to support the furtherance of the Board of Finance's objects.

Mission Development Funding from Archbishops' Council has now ceased, so the designated fund will be used to support the existing projects.

Southwell and Nottingham is one of 41 dioceses in the Church of England covering the whole of Nottinghamshire and a small section of South Yorkshire and North Leicestershire. It is administered through the Board, a charitable trust company limited by guarantee. The Diocese is arranged as 2 archdeaconries, Newark covering the north part with 4 deaneries and Nottingham the south with 5 deaneries. In total there are some 250 parishes.

Each Diocese is a separate entity led by the Bishop and is governed by the Canons of the Church of England and the Acts and Measures of General Synod as well as state legislation that relates to companies and charities. In Southwell and Nottingham, the Diocesan Bishop is assisted by the Suffragan Bishop of Sherwood.

At national level the Diocese relates to the Archbishops' Council, the Church

Commissioners and the Church of England Pensions Board. Further information can be found at www.church-of-england.org. The financial transactions of these bodies do not form part of these financial statements.

Each diocese is divided into benefices which are made up of parishes. The priest of a benefice is an office holder who shares the cure of souls with the Bishop. Matters relating to finance and parish owned property in a parish, are the responsibility of the Parochial Church Council, each of which is an individual charity separate from the Diocese. Benefices are grouped together in nine Deaneries which are units of mission, conduit of communication and whose members elect the members of General and Diocesan Synod.

Southwell Minister is the cathedral church of the diocese and is itself a separate legal entity. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Southwell Minster, Church Street, Southwell, Nottinghamshire, NG25 0HD.

The Board of Finance and Diocesan Synod: Within the Diocese there are two major bodies - the Diocesan Synod and the Board of Finance: the membership of both is coterminous

Board of Finance: The company, Southwell & Nottingham Diocesan Board of Finance, was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 5th June 1891 as a charitable trust company limited by membership guarantee (No. 34165) and its governing documents are the Memorandum and Articles of Association. The Board of Finance is registered with the Charity Commission (No. 249359).

The company, originally called the Southwell Diocesan Finance Association, changed its name to the Southwell Diocesan

Board of Finance on 18 January 1932. On 28 February 2006, the company changed its name to the Southwell & Nottingham Diocesan Board of Finance.

As a member of the Board, each member of Synod has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

Diocesan Synod: Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, plus up to 20 co-options

The Diocesan Synod usually meets twice a year.

Its role is to:

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

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council.

The Bishop's Council (and Standing Committee of the Diocesan Synod): The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of 8 ex officio members (the Diocesan and Suffragan Bishops; 2 Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; and the Chair of the Finance Committee), 5 clergy elected by the House of Clergy from among their number (3 from the Archdeaconry of Nottingham and 2 from the Archdeaconry of Newark) and 10 lay persons elected by the members of the House of Laity representing deaneries (6 from the Archdeaconry of Nottingham and

4 from the Archdeaconry of Newark) and up to 4 co-opted members of Diocesan Synod.

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

- to plan the business of the Synod,
- to initiate proposals for action by the Synod and to advise it on matters on policy;
- to advise the Diocesan Bishop, on any matters which he may refer to the Council;
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- to appoint members of committees or nominate individuals for election to committees; and
- to carry out such functions as the Synod may delegate to

Decision Making Structure: Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Southwell and Nottingham, are set by the Diocesan Synod and the Board.

The company meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Board. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold up to eight meetings during the year to formulate and coordinate policies on mission, ministry and finance. The Trustees rely upon the Diocesan Chief Executive and their team of six departmental directors for the delivery of the day to day activities of the company. The

Diocesan Chief Executive is given specific and general delegated authority to deliver the business of the Board in accordance with the policies framed by the Trustees.
Council are also the members of 2 statutory committees:

- Parsonages Committee, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, team vicarages and houses owned by the Board of Finance.
- Diocesan Mission and Pastoral Committee, which is responsible for the task of recommending pastoral reorganisation to the Bishop.

Other statutory committees include:

- Diocesan Advisory Committee, which advises on matters affecting church buildings and places of worship including the granting of faculties, the use and care of places of worship and their contents and the care of churchyards.
- Southwell & Nottingham Diocesan Board of Patronage, which is constituted under the provisions of the Patronage (Benefices) Measure 1986.

In addition to the statutory committees Bishop's Council has set up the Finance Committee, which has written terms of reference, to advise it on all financial matters. The Finance Committee meets regularly, approximately five times each year and works closely with the Diocesan Chief Executive and Director of Finance. The Finance Committee has decided that in order to give considered advice to the Bishop's Council and to understand the detail of diocesan finance, to set up the Audit Committee which advises the Finance Committee and thereby Bishop's Council, in the discharge of the Trustees' responsibilities for accounting policy, internal control, financial reporting and risk management.

Remuneration of Key Personnel: Emoluments of higher-paid employees are determined by a remuneration group consisting of the Chair of the House of Clergy, the Chair of the House of Laity, and the Chair of the Finance Committee. A job evaluation scheme is used to determine the salary grades of employed posts. Office holders are paid either the Diocesan stipend or that advised by the Archbishops' Council acting as the Central Stipends Authority.
management.

GOING CONCERN
The financial statements have been prepared on a going concern basis as the trustees believe that, despite the uncertainty of the economic impact of the Covid 19 virus pandemic, the Board has sufficient monetary reserves to meet all their obligations as they fall due. The trustees consider that given the level of investments and reserves held the going concern basis is appropriate.

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

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

Risk Type	Risk	Mitigating activity
Reputational	Safeguarding & Inclusion of children and vulnerable adults: current safeguarding incident by an individual associated with the Diocese or any church in our Diocese and adverse publicity relating to safeguarding failures in the past or present.	• Safeguarding advice is provided by a dedicated Safeguarding team • Policies are aligned with those of the national church • Training is compulsory for all relevant staff and office holders
Financial	Parish Share collection is considerably less than 100%.	• Collection statistics are produced and circulated on a monthly basis to Deanery & Diocesan personnel • Deanery finance personnel are expressly tasked with identifying, reporting on and supporting those parishes where there is considered to be a significant risk of under-collection
Reputational and Financial	IT: System failure.	• The disaster recovery plan is reviewed on an annual basis • Backups are made on a regular basis

DISCLOSURE OF INFORMATION TO THE AUDITOR
We, the Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant information and to establish that the company's auditor is aware of that information.

In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company directors.

APPOINTMENT OF AUDITORS

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

BY ORDER OF THE TRUSTEES

+Paul Southwell and Nottingham

The Right Revd Paul Williams
Chairman

Date: 28/04/21

Opinion

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

In our opinion the financial statements:

1. 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;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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:

1. the information given in the trustees' report (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

2. 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:

1. 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

2. the parent charitable company's financial statements are not in agreement with the accounting records and returns; or

3. certain disclosures of directors' remuneration specified by law are not made; or

4. we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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:

1. We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk.

2. We focused on laws and regulations relevant to the charitable company which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, trustees, and those staff with direct responsibility for the compliance of laws and regulations. We also reviewed legal expenses.

3. We addressed the risk of management override of internal controls, including the testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by management or the trustees that represented a risk of material misstatement due to fraud.

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/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx.
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.

Jane Marshall

Jane Marshall (Senior Statutory Auditor)
for and on behalf of
BHP LLP
2 Rutland Park
Sheffield
S10 2PD

Date : 14 June 2021