

Annual Report



The trustees, who are also directors for the purposes of company law, present their trustees' report together with the financial statements and auditor's report of the charitable company – The Birmingham Diocesan Board of Finance (BDBF) for the year ended 31 December 2023. The financial statements comply with current statutory requirements, the Statement of Recommended Practice for Charities 2015 ('SORP2015') and the Companies Act 2006.



This report is set out as follows:

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It should be noted that the Annual Report gives narrative on the activities of Birmingham Cathedral, Birmingham Diocesan Trust, Church Schools, Thrive Together Birmingham and individual parishes to give an overview of all CofE Birmingham activities. However, the financial information of these entities is not included in the BDBF financial statements. They have their own financial statements as separately constituted organisations. (See page 45 for details of the structure of The Church of England.)

The members of the Bishop's Council set out below have held office during the period from 1 January 2023 to the date of this report, unless otherwise stated.

EX-OFFICIO

Bishop of Birmingham

The Rt Revd Michael Volland (from 2 March 2024)

Interim Bishop of Birmingham

The Rt Revd Anne Hollinghurst (until 2 March 2024)

Suffragan Bishop of Aston

The Rt Revd Anne Hollinghurst

Chair of the Diocesan Board of Finance

Mr Steven Skakel

Dean of Birmingham Cathedral

The Very Revd Matt Thompson

Archdeacon of Birmingham

The Ven Jenny Tomlinson

Chair of the Diocesan Synod House of Clergy

The Revd Toby Crowe

Chair of the Diocesan Synod House of Laity

Mr Trevor Lewis

Mr Anesu Muyambi

Mr Julian Phillips

Mrs Chrissie Price

Mrs Patricia Williams (until 22 September 2023)

NOMINEES

The Revd Jeremy Allcock

The Revd Canon Catherine Grylls (until 20 November 2023)

Mr Guy Hordern

GENERAL SYNOD REPRESENTATIVES

The Rt Revd Michael Volland (from 2 March 2024)

The Rt Revd Anne Hollinghurst (until 2 March 2024)

The Revd Tim Bateman (until 27 February 2024)

The Revd Canon Douglas Machiridza

The Revd Philip Calvert

Mrs Dawn Brathwaite

Mr Guy Hordern

Dr Rachel Jepson

DIOCESAN SECRETARY

Dr Jan Smart

COMPANY SECRETARY

Dr Jan Smart

DIOCESAN DIRECTOR OF FINANCE

Miss Karen Preece

DIOCESAN REGISTRAR

Ms Vicki Simpson

REGISTERED OFFICE

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AUDITOR

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10 Queen Street Place, London, EC4R 1AG

BANKERS

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125 Colmore Row, Birmingham, B3 3SF

INVESTMENT ADVISERS

Evelyn Partners
14th Floor, 103 Colmore Row, Birmingham, B3 3AG

PROPERTY AGENTS

Bruton Knowles, Embassy House,
60 Church Street, Birmingham, B3 2DJ

CLERGY MEMBERS OF THE DIOCESAN SYNOD

The Revd Sarah Hayes

The Revd Geoff Lanham

The Revd Canon Louise Shaw

The Revd Canon Bamidele Sotonwa

The Revd Canon Becky Stephens

LAY MEMBERS OF THE DIOCESAN SYNOD

Miss Jennifer Clark (until 2 March 2023)

Mr Jonathan Goll

Mrs Deirdre Moll



Bishop's Foreword



We give God praise and glory for the wonderful variety of ministries that have been undertaken in Church of England Birmingham this past year. I would like to add my own word of thanks to diocesan staff and clergy colleagues who have worked so hard in recent months to provide ministry and to engage in gospel-focused mission and witness. A particular word of gratitude is due to Bishop Anne for her diligent service while Acting Bishop of Birmingham.

As we look ahead to 2024 we continue to be energised by our Transforming Church vision and to prayerfully strive for 'growing churches at the heart of each community'. While we take stock of various challenges, particularly the pressure on finances, we will continue to be focused, to work closely together, and to draw deeply on the considerable skills and experience with which God has gifted Church of England Birmingham.

In seeking to follow Christ together, I invite us to meditate deeply and prayerfully on Jesus' words in John 15, 'Abide in me... If you remain in me and I in you, you will bear much fruit; apart from me you can do nothing.'

In and through our labours, we are called to abide attentively in the living Lord Jesus. He has called us to minister grace and loving service in his name, and it is his Kingdom we share in building. I encourage us to apply ourselves wholeheartedly and with great hope to the variety of tasks to which God has called us as Church of England Birmingham. In sharing the good news of Jesus in word and deed, we press forward with energy and creativity. We continue to pray in expectation for God's provision and to look forward to the growth and fruitfulness that will result.

+ Michael Bimham

The Rt Rev Dr Michael Volland
Bishop of Birmingham



2023 has been a year of much development and growth notwithstanding ongoing financial challenges. As Acting Bishop of Birmingham throughout the period, I pay tribute to the superb colleagues with whom I've worked - the Bishop's interim support team, Bishop's senior staff, directors, diocesan officers, Area Deans, Bishop's Advisers, our Chair of the Diocesan Board of Finance and finance teams.

Financial resources may be a constant challenge, but we are rich in talent and dedicated people. This remains true also across our parishes, chaplaincies, schools and new Christian Communities. We have seen progress with establishment of Oversight Area collaboration, a record number of those ordained, over 100 completing Way of Discipleship and Way of Servant Leadership modules, renewal of Reader training, the reimagining of Commissioned Pastoral Care Teams, new ministry pathways for Youth and Childrens workers, occasional worship leaders and preachers, the consolidation of our Local Ministry Pathway, and so much more. Our thinking about the range of ministries God calls us to was also stimulated through our excellent Archdeaconry Explore Days.

Alongside this flourishing and expanding of ministry which supports our priority of growing in number of disciples, there has been real development in our work for racial justice, social justice and environmental justice. In all of this, the Kingdom of God has been among us, and we have discovered many times this last year the treasure hidden in the field and the pearl of great price. (Matt 13.44-46)

+ Anne Aston

The Rt Revd Anne Hollinghurst
Bishop of Aston and Acting Bishop of Birmingham October 2022 – February 2024



Chairman's Statement



2023 has been another busy year in the life of Church of England Birmingham. During what was expected to be a difficult year, we have remained focused on delivering on our mission, growing churches at the heart of each community. In this report, you will find much to be encouraged about despite the ongoing challenging financial backdrop. The work done by the parishes we are here to support is humbling, and our heart-felt thanks go out to everyone who makes that possible.

In 2023, a total income of £11,781,000 showed a decrease of £926,000 compared to 2022. Our single largest source of income, parochial contributions or 'Common Fund' from our parishes at £4,633,000, was again below our budget and remains much lower than the commitments made in 2020, which were £6,021,000. Against this background, we have carefully managed our expenditure whilst seeking to maintain ministry and mission resources that meet the needs of all God's people, both present and future.

Expenditure was £12,411,000 compared to the prior year's figure of £13,027,000, a reduction of £616,000. Clergy posts have been maintained at a similar level to 2022, while we managed to deliver non-salary/stipend savings elsewhere. The Church Commissioners continue to support us with the Lowest Income Communities grant, and in 2023, this was £1,933,000.

Additionally, we utilised £1,710,000 (2022: £1,589,000) of Strategic Development and Capacity funding, resulting from our successful bids to the Church Commissioners over the past few years. These funds are deployed and focused on delivering our long-term sustainability and growth strategy. This funding helps to resource our parish support and mission teams including Children & Young Person mission enablers as well as supporting the development of new centres of worship and revitalising existing places such as St John's Longbridge. I commend the work of our teams across the Diocese, delivering a wide range of transformational projects.

Overall, there is a deficit for the year of £630,000 (2022: £320,000 deficit) before considering the year-end non-cash adjustments in relation to investment and investment property valuations. This is a better than expected result, given just how difficult conditions have been during the period 2020-23.

Looking forward, the deficit in 2024 is expected to be considerably larger as our income is forecast to be broadly flat while our costs will increase due mainly to inflationary and cost of living pressure. In the short term, this is sustainable; however, in the medium term, we expect to reap the benefits of our growth strategy as the cost-of-living crisis abates and the work we are doing bears fruit.

We are blessed with the generous support of the national church team, who walk with us at every stage, and our directors, officers, and staff, who tirelessly and competently support the work of the Church of England Birmingham. I opened with my thanks to the work of all those who volunteer and serve God's kingdom across the Birmingham diocese'. May God continue to work in us and through us to grow His church.

Finally, I thank Bishop Anne, Acting Bishop of Birmingham during 2023, for her wise and encouraging leadership during the Vacancy in See. We warmly welcome Bishop Michael, who, at his installation, preached on the importance that we all abide in Jesus because, apart from him, we can do nothing. Amen to that.

Steven Skakel
Chair of Birmingham Diocesan Board of Finance





TRANSF

Engage with children, youth, families and other missing generations to reflect the age profile of the wider population across the diocese



Grow in number of disciples (more)

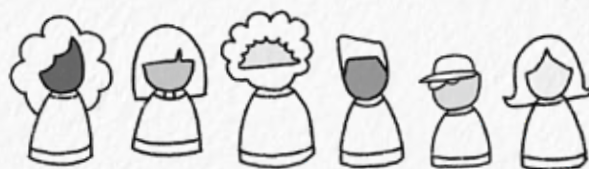
Growing churches at the



Flourishing ordained and lay leadership that reflects the diversity of the wider population across the diocese

Achieve financial sustainability





Worshipping communities are diverse
(meaning representative of our
communities) and accessible to all



Underpinned by a
culture of prayer



Grow in partnerships and
impact in the community

heart of each community



Grow in depth
of discipleship
(more confident)



Environmental
sustainability





Oversight Area Progress

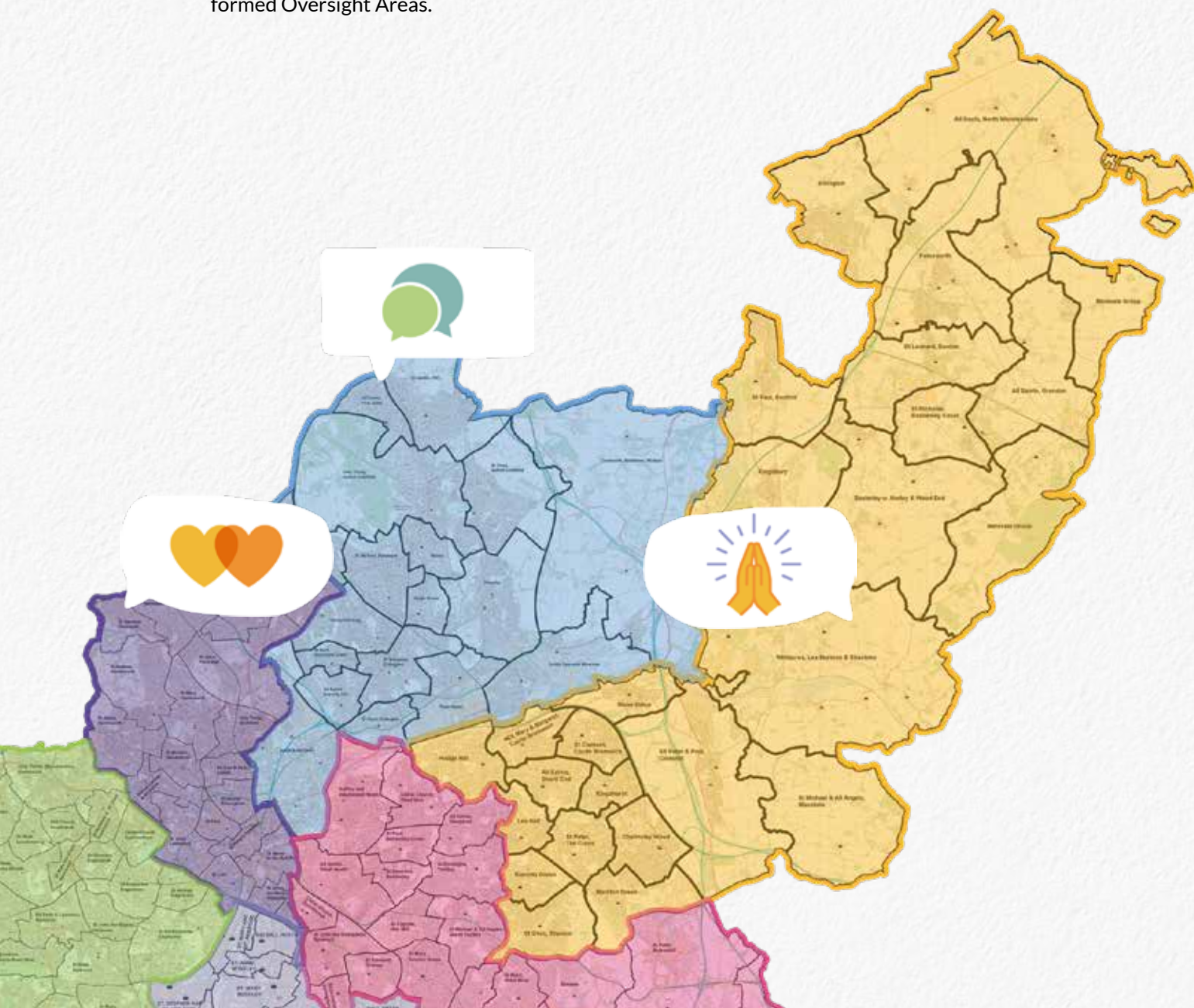
The formation of Oversight Areas will provide CofE Birmingham's key missional structure to deliver the Transforming Church vision. There are 42 collaborative Oversight Areas, formed of parishes voluntarily working together to achieve sustainable and flourishing mission and ministry. The majority of our Oversight Areas are now fully formed and have begun actively working together.



Oversight Ministers offer oversight leadership for mission and a strategic focus, facilitating future conversations and collaborations for their Oversight Area. Many of these Oversight Minister appointments have already been made.

The creation Oversight Areas and appointment of Oversight Ministers seeks to strengthen mission focus and help increase the capacity of ordained and lay leadership and resources, as we deliver the next steps of our Transforming Church vision and strategy, for this season.

The following pages include examples of the activities of our parishes and newly formed Oversight Areas.



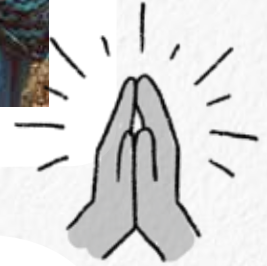


The Parish of The Whitacres, Lea Marston and Shustoke

Every month, rain or sun, we gather on the third Saturday to worship outdoors in God's creation.

More young people are joining us, discovering nature, and connecting deeper with God, and cultivating meaningful friendships.

2023 concluded with our first-ever Forest Church nativity, a precious blessing for all involved, uniting us in the story of the birth of Jesus.



Sharing of Pastoral Care Team in an Oversight Area

St Bernard's & St Pauls in Hamstead formed a new Oversight Area. St Bernard's has a pastoral care team of six members, whilst St. Pauls had reduced their pastoral care team to just one and was in danger of ceasing.

They decided to meet together as one Pastoral Team and support each other in Pastoral duties

and then every two months to update, decide and allocate duties, over a shared lunch, and stay in touch regularly through a WhatsApp group. Whilst the joining together is still in its infancy they look forward to navigating pastoral care together.



Oversight Area All Saints Four Oaks and St James, Hill

The parishes of All Saints Four Oaks and St James, Hill are at the beginning of their journey together as an Oversight Area, where we have a pre-existing history of collaboration and occasional shared worship.

In February, 20 people from across the two parishes met together for the second phase of this journey to consider the form and shape mission in our Oversight Area might take. We were able to articulate who we are, as two distinct parishes, and what is already being done within them. We were then able to have conversations about the many areas of cross-over and points of connection. The session ended with some 'next steps' for the coming weeks and months.

The conversations were generous and open-hearted and there was a real energy for finding ways to share ideas and resources, to support one another and collaborate in even more ways moving forwards.



Christ Church, Quinton

Transformation into a Community Hub in the Brandhall part of the parish, has given a fresh start to a building that had stopped serving its missional purpose. In partnership with local churches (Kings Community Church, Church Central and St Hilda's RC) and with help from Sandwell Churches Link, a kingdom-bringing vision has become a reality.

Through Local Pantry, uniform bank, clothing project, warm space, knit and natter, and more, local people's needs are being met in a practical way and are building community and friendships. Working together, uniting skills, and praying as one has been the key to success.



Reflections on Oversight Area formation in Yardley & Solihull Deanery

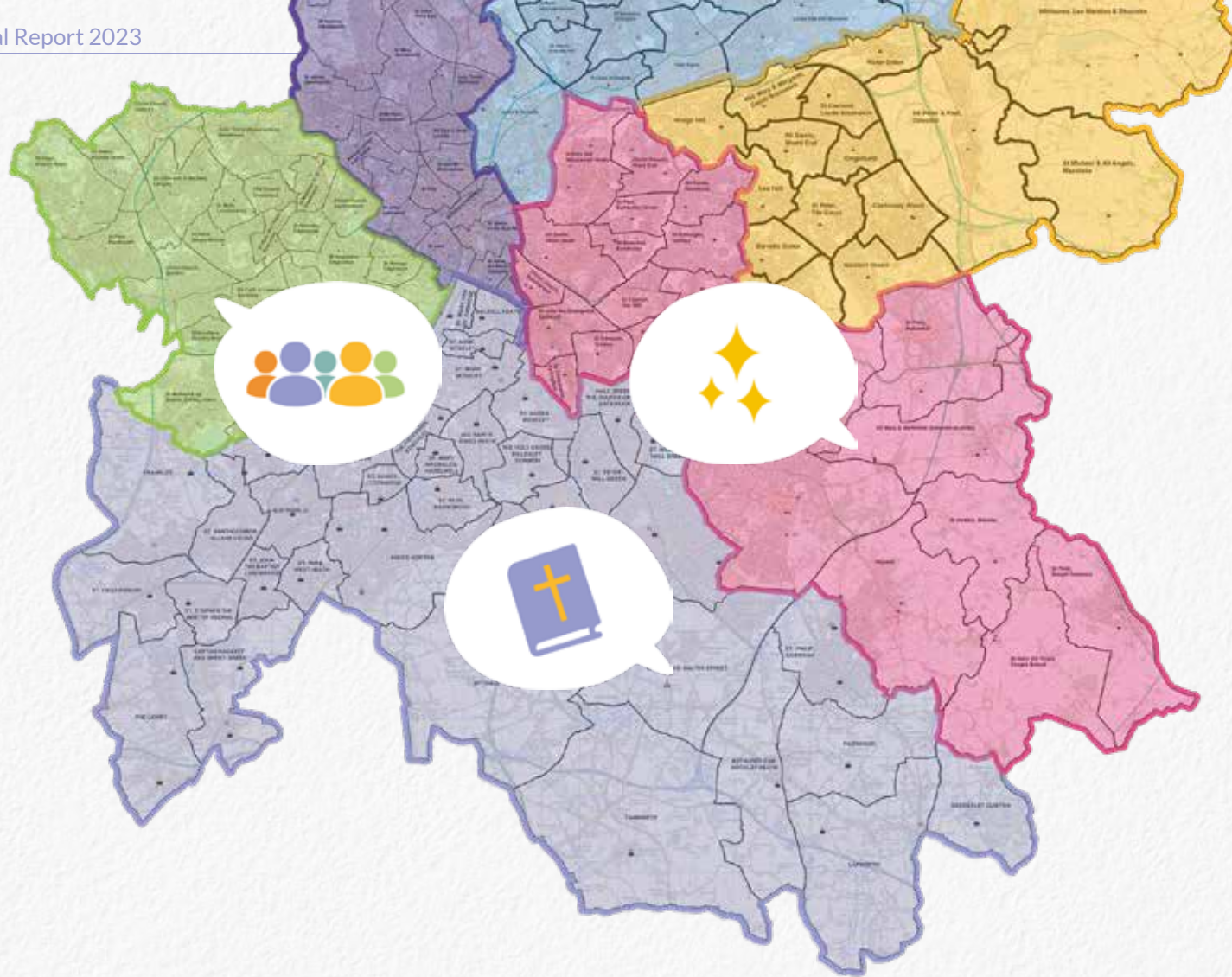
Yardley & Solihull Deanery was the first deanery to establish its Oversight Areas. The Area Dean at the time of formation, reflected on how

collaboration and communication are key to working across parish boundaries in mission and ministry to create Oversight Areas.

The formation of a Project Team comprising diverse expertise to engage local knowledge and vision-sharing with stakeholders was key to its success.

Administrative support from the Deanery Support Officer and the People & Places Administrator played a crucial role in facilitating meetings, communication, paperwork management, and data compilation essential for Oversight Area formation. The Bishop's Office produced important documentation and certificates which ratified the establishment of Oversight Areas.





St Patrick's Salter Street - Traditional Church Growth: A Delightful Mystery

The Vicar of St Patrick's Church Salter Street, has already seen the worshipping community grow each week. St Patrick's has traditional pews, offers traditional hymns and worship, and is a sign that some

people still value the belonging and friendliness of a traditional parish church

The growth has been helped by the arrival of a new director of music who has helped grow the choir and improve quality and diversity of the musical worship expressions including much loved traditional hymns. It is delightful to see new people coming each Sunday and especially families with young Children, enjoying our traditional setting. Many of these new comers have also joined our Bible fellowship group which takes place weekly in term time, and it has become a sacred space of nurture, where our new members can meet and support each other. "Traditional Church still has a future!"



Growing churches at the





heart of each community





Christchurch Summerfield



Christchurch Summerfield was originally formed out of St John's, Ladywood (consecrated in 1885) but in January 2023 began a new chapter of revitalisation. A new church family has been formed with the existing congregation and joined by a group from Gas Street Church. Christchurch continues as a multi-generational, multi-ethnic church that serves the North Edgbaston community and on Easter Sunday they celebrated with a baptism. One person shared their story, *"My journey with Jesus Christ has been a transformative experience that has brought me immense joy, peace, and purpose."*



Launchpad

In September the Mission Support Team introduced Launchpad – a partnership with Youthscape (a national youth work charity) that helps parishes develop youth work from scratch. Many children disengage with church as they reach older primary school age; many teenagers have never been part of a church community. Launchpad begins to explain why and offers potential solutions. One participant had this to say, *"It has shown me that youth work does not have to be big and bold but needs to fit with resources available and opportunities open. I believe the course has helped me to identify what can be done rather than focus on what cannot."*

LAUNCHPAD
GETTING YOUR YOUTH WORK OFF THE GROUND



'Church on Jarvis' at Christ the King, Erdington

Christ the King, Erdington launched a new, intergenerational worshipping community called 'Church on Jarvis' in October. Every month, local people of all ages come together for an inclusive, creative service shaped by a set of seven values, which include being a place of encounter, a place that is honest and vulnerable, and a place that is participatory, interactive and practical. It has given those who come a place to worship and learn more about God. Between 25-30 people attend. It has been so successful that on the request of those attending, next year it will happen fortnightly.



Church on the Wood

Church on the Wood is a pioneer-led community for those who aren't used to church. St Andrews Chelmsley Wood is a small, established congregation of largely long-standing members. In May, over 60 from these two groups came together for activities, bible teaching, all-age worship and time together. Some older attendees even alternated between crocheting and lifeguarding to allow younger members to enjoy the swimming pool! As a result of the weekend a dozen people made a commitment to follow Jesus with nine subsequently baptised. New leaders of various ages are now running activities ranging from gymnastics to post-natal mentoring, and members of the original congregation suggested Easter Sunday services be combined rather than separate.



Commissioned Youth Pathway

2023 saw the start of our first-ever Commissioned Youth work training, and seven youth workers from across the CofE Birmingham joined three tutors to take part in the Youth Work Essentials training, a resource created by Youthscape. Four employed workers and three volunteers have journeyed together to delve into subjects such as the teenage brain, youth work in a multifaith context, and growing up digital. Our final teaching and retreat session took place over a weekend in March, with a service of Commissioning by Bishop Anne in April.

Our Commissioned Children's Worker Pathway begins in February 2024 with 25 participants.



A new youth group in the Deanery of Aston and Sutton Coldfield

In Sutton Coldfield, we have recognised a gap in growing discipleship for teenagers, so we have started a youth group on a Sunday evening. The first session saw 12 teenagers eating pizza and sharing where they see God at work.

Continuing Professional Development for employed youth and children's workers

This year, we introduced Continuing Professional Development (CPD) for our employed youth and children's workers, including joining in Reader training days focusing on intercessory prayer and intergenerational worship. One children's worker said, *"There was a lot to learn and enjoy about the CPD training event, and I was made to feel very welcome in an excellent learning environment. My highlight was the well-paced workshops led by informed and experienced teachers, it made for engaging and relevant learning backed up with some great online material and reading."*

We are offering a spring and autumn retreat as part of 2024's package, too.



Bishop Youth Synod (BYS) – Diocesan Synod

Diocesan Synod in November 2023 saw the Bishop's Youth Synod lead a presentation and discussion on the church's engagement with young people. The BYS planned and wrote the presentation themselves, challenging the adults to think again about Sunday services. Could they be more welcoming and inviting to young people? They asked, *"How willing are you to change to encourage young people into your church community? How do you engage with young people on a Sunday morning? What more could you do?"*

We are excited about the follow-up conversations we are having and how willing churches are to listen and engage with young people.



Youth Café at St. Barnabas, Erdington

At Christmas, young people from Youth Café at St. Barnabas, Erdington, made Christmas hampers for vulnerable families connected to the church. St. Barnabas partnered with Urban Devotion Birmingham, to run Youth Café, and with funding received by Urban Devotion, they were together able to make and distribute 12 hampers. The young people came up with ideas of what to include and even made some of the items in the hampers including beautiful paper decorations! It is brilliant to see the young people serve the local area.

Racial Justice

The Racial Justice Board continues to work on delivering recommendations contained in the 'From Lament to Action' CofE report, with strategies for the following priorities:

- The Enablement of Church of England Birmingham to be inclusive and welcoming to all and stamping out the sin of racism.
- Widening recruitment ethos to culturally sensitive deployment to reflect Birmingham using positive action.
- Increase of UKME inclusion in the decision-making structures and the discussion of issues.

The Racial Justice Board has set up a Data Working Group, to help improve data gathering and reporting, with a survey being undertaken to gather new data on diversity across the CofE Birmingham. The CofEB Racial Justice Board has developed a Charter on Racial Justice for Church of England Birmingham, and also grievances and complaint procedure which will be ready for adoption in 2024. Training continue to take place and includes intercultural awareness and unconscious bias training.

Racial Justice regional collaboration

CofE Birmingham, along with five other dioceses in the West Midlands, have successfully bid for funding for a major Regional Racial Justice Programme. Working collaboratively across the region, we are engaging a team who will guide our approach to implementing the recommendations in "From Lament to Action" and also act as a catalyst for culture change, as we promote racial justice and tackle racism within the church and its structures within the context of each participating diocese. A Regional Board is being formed and its members will work with the local boards and action groups in the six dioceses. No individual diocese possesses the resources necessary to effectively accomplish this task alone; given the diverse contexts within each diocese, it would be challenging for any single diocese to fully unleash all potential and address every challenge. A collaborative approach will share resources and learning with greater impact and effectiveness.



'Lighthouse' St. Mary's, Pye Hayes

'Lighthouse' St. Mary's, Pye Hayes, held Messy Easter for families in the local community. It was a brilliant morning with over 70 people hearing the Easter story, taking part in egg hunts and even making contraptions that would protect an egg when dropped from the balcony (this activity was the firm favourite!). Several families said they enjoyed it and were so pleased something like this was available for their children. A couple of the families then came to church on Easter Sunday.

Diocesan Board of Education (DBE)

Committed to ensuring we have more representation in our schools' leadership teams, we developed and ran a programme for Senior leaders identifying as Global Majority Heritage. It has been hugely inspirational and resulted in a number of our participants being appointed as headteachers. This has been subsequently developed into a further programme for our Global Majority Heritage Middle Leaders.



The DBE also recognise and celebrate the partnership between schools and their local churches. We have drawn together examples of good practice and ideas for both churches and schools. These can be used to develop stronger relationships, making use of the opportunities that each offers to understand more about the transformative nature of schools when children and young people encounter the Kingdom of Heaven on earth.



Youth club at St Giles, Rowley Regis

St Giles, Rowley Regis has started a youth club based in its church hall. The idea for the club came from the young people at St. Michael's school and a member of the congregation. They came on board as a volunteer, and we began planning using the 'Youth Club in a Box' resource. The group is currently intentionally small as we seek to be youth-led. Using their ideas, passions and being mindful of their seasons (e.g. exam season!) to develop the programme. We are looking forward to developing and growing, and supporting the young people in their confidence to lead.



Choirs join together in the Deanery of Aston and Sutton Coldfield

Churches in Sutton Coldfield are sharing in worship and prayer together wherever possible. Some of the choirs joined together for Ash Wednesday and filled the choir pews at St. Peter's. Going forward, we want to work together to grow God's Kingdom and deepen our relationship with Christ.



Safe Spaces for Young People

This is a network of churches and community based projects running open access provision for young people every week. Funding from the Church Commissioners Innovation Fund enables Thrive Together Birmingham (one of our partner organisations) to work with churches, to open new Safe Spaces for young people in their neighbourhood, as a basis for connecting young people to explore church and discipleship. The grant enables us to fund local Cluster Leads to support Safe Spaces in their area including developing basic youth work training. The Church Commissioners grant will enable us to open 15 new church based Safe Spaces around the CofE Birmingham over the next three years, providing a grant to churches to support the costs of the activity. The first five are in progress.



Youth 139 and Pineapple Youth Project – Rural and Urban Youth Ministry in action!

In the rural parish of All Souls, North Warwickshire, we started Youth 139, a weekly Youth Group aimed at addressing the need for youth ministry in the community. With guidance from the CofE Birmingham Mission Support team, the new leader started the group from scratch in September 2022. Named after Psalm 139:13-14, the group has grown to 30-40 regular attendees who gather each Thursday evening for various activities. The leader used online resources from Pathways online learning to increase her Youth Worker knowledge.

In the urban parish of Ascension, Stirchley, the Pineapple Youth Project, established in partnership with Riverside Church, serves young people from diverse backgrounds. The project offers activities like Youth Zone for 11-14-year-olds, Pineapple Rules Football for ages 7-15, and Youth Alpha sessions exploring faith. The group fosters youth leadership and community engagement, including weekend getaways and local park activities.

Safeguarding

We are committed to providing a Safer Church for everyone and caring for those who are victims and survivors of abuse.

The Safeguarding team has worked throughout the year to improve and increase the advice and support we offer to parishes with concerns, recruitment, policy, good practice and training.

Case work continues to be busy which is welcomed by the safeguarding team as this indicates that parishes are alert to safeguarding. Throughout the year we participated in a national pilot project to shape the future of a more independently scrutinised safeguarding service, including external supervision of safeguarding officers and national standards for safeguarding.

We continue to deliver a programme of training in line with the national framework. We provide support to our Parish Safeguarding Officers, to whom we are very grateful for their ongoing commitment.



Clergy Continuing Ministerial Development (CMD)

The Director of Ministry and colleagues in dioceses in the West Midlands region continue to deliver high quality courses equipping clergy to renew their confidence and calling at key stages of ministry. Diocese of Derby has now joined this Clergy CMD partnership. A key focus is renewed emphasis on clergy wellbeing and flourishing across all programmes, informed by insights from the CofE Clergy Wellbeing Covenant and Living Ministry Research.

Highlights in our stimulating diet of Bishop's Study Mornings for clergy, Readers and Licensed Lay Ministers were: Dr Harvey Kwiame's theological reflections on interculturality, Canon Theologian Professor David Ford's profound reflections on St John's Gospel, and Dr Dave Allen's insights into St Mark's Gospel.

Structure and culture change in the CofE Birmingham were supported by a theological reflective practice learning community for Area Deans and Archdeacons. The support and development of Self-Supporting Ministers is strengthened by the appointment of The Revd Simon Cocks to the new role of Bishop's Adviser for Self-Supporting Ministers (SSM).

Curates and IME phase 2

CofE Birmingham continues to be a generative centre of Ministerial Formation, with over 40 Curates training alongside experienced Incumbents, ministry colleagues and lay leaders in a wide diversity of theological traditions and mission contexts, supported by Head of Ministry Formation and a team of IME2 Advisers. Programmes support formation for missional leadership and equipping discipleship and lay ministry in interfaith, intercultural and intergenerational contexts.



Confirmation group at St Mary and St Margaret's Castle Bromwich

St Mary and St Margaret's Castle Bromwich, saw a group of five young people aged between 14 and 18 gather for a Confirmation group alongside three adults. Using the Start course, they journeyed together on Zoom after an initial face-to-face meeting that involved pizza, as all good youth work does!

These young people and adults looked together at the basics of Christianity and deepened their faith as they discussed, reflected, and prayed together.

One of the leaders, said how much fun they had, over the six weeks together and what an impact it had made in all their lives.

Readers Training and Continuing Ministerial Development

The Head of Ministry Formation and colleagues have radically overhauled the Reader Training programme to shape Readers for contemporary ministry and mission in church communities and workplace settings. This is focused around the new CofE vision for Reader Ministry as Skilled Teachers of the Faith, Enablers of Mission and Leaders in Church and Society. Our Reader Training programme was reviewed by a national team which expressed confidence in the quality of its design and delivery.



Local Ministry Pathway

The foundation year for a second cohort of Birmingham's innovative formation pathway for leaders of local christian communities has begun. This learning community shapes lay and ordained Ministers for leadership in inner urban and outer estate contexts.

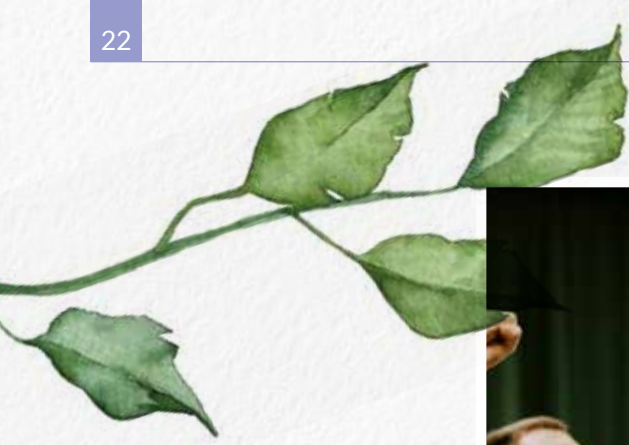
Archdeaconry Explore Days

Two Archdeaconry Explore Days saw over 130 delegates discovering and learning more about church vocations and service.

Bishop Anne led worship and encouraged everyone to 'think outside of the box' about their talents and calling, discovering new life, new hope and new purpose through volunteering.

Delegates met over refreshments, shared in worship and heard six short talks on ministry ranging from Competitive Ministry and Spiritual Practice, to volunteering and combating poverty which is endemic in our Birmingham region.





Growing churches at the





heart of each community



Higher Education (HE) Chaplaincy

In Birmingham – a city of six universities – HE student numbers continue to increase. The University of Birmingham alone now has more than 40,000 students with projections of that increasing to 50,000 in the next ten years. It has been exciting to witness an increase in student participation in groups and services, and a greater willingness to work ecumenically across the denominations. 'The Well' which is a collaboration between the Anglican Chaplaincy and St Mary's, Selly Oak continues to bring together students and the local community to explore the rich tapestry of our spiritual traditions and practices.



Healthcare Chaplaincy

Healthcare Chaplaincy remains a priority to CofE Birmingham with Bishop Anne licensing Fr Thomas Singh as a member of the chaplaincy team at University Hospitals Birmingham; welcoming an Anglican priest to the team once more. Fr Thomas will be based primarily at the Queen Elizabeth Hospital.



Veterans Chaplaincy



Jill Williams, Reader at Tile Cross, was asked some years ago to act as chaplain to the 1944 Alliance Normandy - Market Garden, which is part of the Federation of Birmingham Ex-Service Associations.

In May 2023, Jill was among a group from the 1944 Alliance who attended a Garden Party at Buckingham Palace. In June 2023, Jill accompanied a group of Veterans and their families on a week's visit to Normandy to remember D-Day 79 Years on.

Re-imagining Commissioned Pastoral Teams (CPT)

The CPT Steering Group has been re-imagining how teams can contribute to the formation of new Oversight Areas. Sharing pastoral teams across parishes is already a reality and we are building on that experience to actively encourage collaboration within Oversight Areas to make the best use of gifts. This is bearing fruit and enables the advantages of team working in parishes that would not otherwise be able to muster a team.

We are working with new Oversight Ministers and Oversight Areas and are in active discussion about the forming of new Oversight Area Pastoral Teams.

Birmingham Cathedral

Birmingham Cathedral continues to partner with Let's Feed Brum, to offer breakfast and support to those who are hungry or homeless in the city, a relationship that begun in 2020. In Lent 2023, our Canon Missioner, led a Lent course with members of the homeless community, and supported by members of the cathedral community, has been instrumental in a developing partnership with other city centre churches to offer Street Banquet, a hot meal at a local church on a Sunday each month. An ecclesial community among homeless people is gradually emerging from this work as we seek to 'Grow Churches at the Heart of Each Community'.



Vocations and Discernment

God is still calling people to join in the mission of God. For some this has been a call to ordained ministry, either as a paid or self supporting minister. It has been a privilege and joy to journey with the 13 people ordained deacon and the ten ordained priest in Summer 2023. Equally a joy to travel with those exploring what God might be saying to them in way of living out their discipleship. Some are called to go and some are called to stay but all are called to serve.



Discipleship resources and School's ministry

The Growing Younger Adviser in the Mission Support team, has developed Discipleship Pathway resources on how to engage with children, young people, and families, as part of a project funded by the Church Commissioners. These resources encourage Schools Ministry volunteers to invite children and families to church events intentionally, fostering fruitful connections.

One of our Readers, who co-ordinates the parish's work with schools, shares two success stories from their parish. In one, a mother and child started with the Toddler Group, progressed to Messy Church, and eventually led to the mother's confirmation. Another family got involved through their child's school event invitation to the Christmas Tree Festival. Additionally, twelve local schools are invited yearly for a Christmas event, engaging Year 1 pupils with the story and its deeper meanings.

Learning for Discipleship and Mission

Alongside the myriad ways in which disciple-making goes on in parishes week by week, over 100 people took part in 'Way of Discipleship' modules and the 'Way of Servant-Leadership' course. Churches used and adapted the library of resources in their own context and numbers came together to receive their certificates at a special Evensong in the summer. The modules are increasingly providing foundational formation for those exploring their callings in all of life. Over two and a half thousand people have accessed the 'Way of Discipleship' resource since its launch.



Intercultural

The new intercultural mission resource, 'Two Way Street', was launched at a Bishop's Study Morning by its authors, Dr Harvey Kwiyani and Revd Nigel Rooms. The resource offers parishes a way of examining their intercultural life, planning and mission. It contains an audit, four sessions, case study, films, and a 'What next?' tool. St Germain's Edgbaston, have used it with key leaders to discern how they can better represent and engage with their local communities.



Growing God's Kingdom in Moseley

In the past year the Associate Vicar of Moseley has overseen the launch and support of several small groups aimed at fostering Christian discipleship and faith within the parish. These inclusive gatherings, such as 'Moseley at the Movies', provide a welcoming environment for individuals seeking spiritual growth and connection. Through film discussions and other activities, participants explore existential themes and find meaningful engagement. Many attendees, including newcomers and those from outside the parish, have subsequently become involved in the wider community of faith at St Mary's and St Anne's Churches. Additionally, the Lent course, featuring Paula Gooder's study on the TV series 'Broken', attracted 24 participants, further enriching the communal journey of faith and worship in Moseley.

Pathways Online Learning Platform

Pathways have supported the Oversight Ministry Learning Communities by creating online spaces that recognise the differing needs and offerings for the cohorts of leaders that are engaged in the programme and in a way that recognises the demands of Oversight Ministers in these new roles.

Pathways also continued to work with the Mission Support Team in delivering the two pathways of Commissioned Youth Worker and Commissioned Childrens Worker, and particularly noteworthy is a new programme for Continued Professional Development for Employed Youth and Children's Workers, integrating the learners into the IME1 Readers in Training sessions. This posed a technical challenge which we were able to rise to and benefited participants in learning alongside peers exploring a different area of ministry.

Pathways have been collaborating with IME1 Reader training team to deliver a learning experience that really stretches and exercises the potential of our online platform, alongside in-person residentials and Zoom sessions. Pathways is partly used as an information source, and also extends the learning with peer activities such as discussion forums. We have been buoyed by the Readers' eagerness to diligently participate in everything we provide and a positive review of our IME1 work by the Periodic External Review team, in October.



Everyday Faith

Three churches completed an Everyday Faith Learning Community programme, meeting over a period of two years looking at how to support and grow Monday to Saturday disciples. Each church has made at least seven small changes over that period to develop an Everyday Faith culture.





Growing churches at the





heart of each community



Food Pantries

Thrive Together Birmingham is collaborating with Church Action on Poverty (CAP) through their Your Local Pantry project to develop a network of Food Pantries in the West Midlands as an alternative to Foodbanks. A Food Pantry is a community food membership scheme run by volunteers built around hospitality to support local people struggling with the costs of living. 17 Food Pantries across the diocesan region provide an affordable weekly food offer with some choice of staple food items including fresh, chilled and frozen food.

Interfaith

The Lozells Heritage trail has helped people understand the religious diversity of Birmingham. People of different faiths have taken part, and we have developed it into a pilgrimage taking time to reflect and learn as we walk and visit the places of worship. The trail has been used to train curates, Readers, Diocesan staff and theological students helping them understand the multi-religious context of Birmingham and what that means for our ministry and mission. A second trail based in Smethwick is currently being developed and will be launched in 2024.



Toddler story of interfaith conversation

The Growing Younger Advisor and the Director of Interfaith organised an event for toddler group leaders. They explored how we maintain Christian distinctiveness while respecting the other faiths of the families that join us.

A member of St John's Church in Harborne said, "We welcome people with tea and toys. We have toys that the children find familiar, which are representative of their different backgrounds. We share Jesus' love through songs, such as 'My God is So Big' alongside our usual nursery rhymes. A dad told me that he went into Waitrose and his child lay in an aisle singing, 'Jesus' Love is Very Wonderful' at the top of his voice three times, whilst a large audience of customers watched! Through the love shown and through songs and prayers, God reveals himself to our toddler community."





Urban Estates

The Birmingham Urban Network, now led by a planning team, enjoyed a retreat at Shallowford House with Bishop Lynne Cullens. The group reflected on creativity and vulnerability, with Bishop Lynne leading us in reflecting how deeply we have treasure in sometimes very broken jars. This retreat was one of six events in the year in which the network met for mutual encouragement and development.



Work with Older Adults

Thrive Together Birmingham have, once again, secured funding from Birmingham City Council to continue the excellent work of the Body, Mind and Spirit Partnership (BMSP) over the next three years. BMSP is a collaboration of 12 churches and Christian projects, including seven Anglican churches, who employ Development Workers to support older people to connect and then facilitate activities that enable them to live independently and well for longer, in their local communities. Over 1,500 older people benefit from activities facilitated by the partnership, mainly held in parish church buildings.



Funding boost for St Agatha's church, Sparkbrook

A £25,000 grant from the National Churches Trust will support St Agatha, Sparkbrook, in enhancing its community facilities by funding the installation of a servery and disabled toilet. This investment ensures the Grade I Listed church can continue serving its local community effectively. The Vice President of the National Churches Trust, emphasized the importance of such support in preserving local heritage and enabling churches to remain active community hubs. The Churchwarden expressed gratitude for the grant, highlighting its significance in securing the church's long-term viability and fostering optimism for the future.



World Mission – Bolivia



11 people from Church of England Birmingham were involved in a partnership visit to the Diocese of Bolivia in August 2023. The team represented five different parishes in Birmingham and they were able to spend time in their Bolivian link parishes, establishing and deepening relationships, observing and joining in mission and ministry. Sharing in worship together was a special part of the time. This is very much a partnership, a two-way relationship, an exciting example of mutual discipleship. One team member wrote, *"I spent a week in La Paz which is our partner*

parish of Lickey and Blackwell. A wonderful opportunity to meet people and to share in worship and prayer. I am excited that we have been able to continue this relationship through regular zoom meetings in which we can pray for each other."

World Mission – Malawi

The Birmingham Diocesan link with Malawi is well established and involves many parishes and individuals. In 2023 a number of people made visits to Malawi to learn of the current situation and to deepen relationships. Many parishes collected items to send in the annual 'container'. The generous giving of people in parishes in Birmingham enables support especially in unexpected times of difficulty. Cyclone Freddy brought much devastation in Malawi. As the Body of Christ across the global church we respond compassionately in both practical acts and prayer.



The first year of a programme to fund roofs on classroom blocks and priests' houses has made a real difference to the lives of many across Malawi.



St Philip's Dorridge and Rwanda

There are so many wonderful Global Mission links across the CofE Birmingham and a number of these come through people in local churches having personal connections. One such connection enabled Revd Duncan Hill-Brown, vicar of St Philip's, to accept a longstanding invitation to visit mission partners in Rwanda. Amongst the many challenges he saw vibrant faith and growing churches and was inspired by a vision and expectation to plant new congregations. On his return he stated, *"My prayers and the prayers of the people of St Philip's Dorridge have changed since the visit"*. Global links grow and extend the prayer life of the local church and build faith. In February 2024, a visit to Dorridge was made by Bishop Jean-Pierre our mission Partner and the Bishop of the Missionary Diocese of Karongi Rwanda, strengthening the link further.

Financial Support

We are hugely thankful for the financial support we receive from a variety of sources, and in particular:

PCCs: for their faithful giving of Common Fund which contributes to the cost of ministry.

Church Commissioners: for Lowest Income Communities (LinC) which supports ministry and social action in our lowest income parishes, and for Strategic Development Funding (SDF) which has funded our change programme (People & Places) and strategic activities to boost mission and ministry.

St Martin's Trust: for providing financial support to some of our most economically deprived parishes.

Benefact Trust: for grants which have helped us to deliver a range of activities that include working with children and young people, helping churches support the most vulnerable and tackle social issues.



Warm Welcome

Churches have played a significant role in the developing network of Warm Welcome and Places of Welcome spaces across the CofE Birmingham, led by Thrive Together Birmingham. These places of hospitality are open to all, provide free refreshment, are safe, comfortable and welcoming places where people can come together to take part in activities, get practical advice and support, as well as meeting neighbours from their community. This important movement was celebrated with an arts exhibit at St. Martins in the Bull Ring created by Birmingham Centre for Arts Therapies (BCAT) and Warm Welcome participants.





Net Zero Carbon Action Plan and Environmental Policy

A CofE Birmingham Net Zero Carbon Action Plan has been written which sets out how it will work towards achieving the target of net zero carbon emissions by 2030. This Action Plan was approved by Diocesan Synod, along with a new Environmental Policy where the CofE Birmingham commits to playing its part fully in responding to the climate emergency and caring for the environment. The Action Plan and Environmental Policy together provide important building blocks for the next few years as the CofE Birmingham develops and implements its responses to the climate emergency.

Net Zero Carbon Project Manager

The CofE Birmingham has received funding from the Church Commissioners to employ a full-time Net Zero Carbon (NZC) Project Manager for an initial three years. The NZC Project Manager will work to strategically enable the CofE Birmingham to achieve net zero carbon emissions by 2030. This role will be key in ensuring that the CofE Birmingham builds on its goal of environmental sustainability.



Caring for God's Creation at St James Shirley

St James Shirley, is caring for their two acres of green oasis by having a 'no mow' area. They have cleared paths where there is coarse grass and have introduced yellow rattle which parasitizes coarse grass, encouraging space for other wildflowers to grow. Later in the summer the area is strimmed and raked. Hand weeding is hard work, but the volunteers have been ably assisted by the local Sea Cadets. They avoid herbicides which can harm bees, finding salt is quite effective and washes away in the rain.





Air Source Heat Pump at St Peter's Hall Green

St Peter's Hall Green have been learning how to be better stewards of creation. When their heating broke down, they wanted to change to an air source heat pump and needed to raise a significant sum of money. Their vicar felt the urge to inspire, and suggested he ride from Birmingham to Glasgow for Cop26. Assisted by his colleague and two sons, they did it! The money was eventually raised through generous giving, existing funds, some grants from trusts including the Benefact Trust and Aviva match funding. Now they are warm and green!



Eco friendly St Peter's Harborne



At St Peter's Harborne, concern for God's creation is at the heart of our worship and teaching; they have new double-glazed the windows in the hall, they have organised litter picks, wildlife surveys, junior church fun days planting wild flowers in their church yard; the hall garden is a haven for wildlife, they conserve water in water butts and avoid harmful chemicals, they use only sustainable materials in flower arranging, for Christian Aid they held a public scavenger hunt to raise awareness of climate injustice and they always try to reduce, recycle and reuse.



Silver Eco Church Award to Cotteridge Church

In 2023, Cotteridge Church worked hard on their outside space, creating a garden haven in a small previously disused area in the heart of Cotteridge. This year they are focusing on how they can make their building more energy efficient. They have had an energy audit, including infrared photos taken to identify where heat is being lost and in December, they achieved their Silver Eco Church Award, with many congratulations!





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STRATEGIC AND OPERATING REVIEW

Supporting the mission

The Church of England Birmingham through the Birmingham Diocesan Board of Finance (BDBF) aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Birmingham Diocese and elsewhere. This includes the provision of facilities for public worship, pastoral care and spiritual, moral and intellectual development, together with the promotion of Christian values and services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

In this, the BDBF acts as the financial executive for the Diocesan Synod in the administration of The Church of England Birmingham's interests. The BDBF helps to facilitate the pursuit of our Diocesan Goals by its ongoing objective to maintain a sound financial structure that resources the needs determined by Diocesan Synod and informed by local and national church institutions. This financial structure includes supporting clergy through the payment of stipends, managing parsonages and other ministerial houses, and also by providing other facilities and resources in the support of the ministry of both clergy and lay people in parishes across the Diocese.

Constitution

The BDBF is established under the Diocesan Boards of Finance Measure 1925. It is a company limited by guarantee and subject to its own Memorandum and Articles of Association. The BDBF is also a registered charity.

The BDBF is constituted as the financial executive of the Diocesan Synod, each member of which is also a member of the BDBF. Trustees are appointed by the members on a triennial basis. The BDBF acts as the Parsonages Board and the Diocesan Mission and Pastoral Committee for the purposes of ecclesiastical legislation.

The BDBF, which meets four times each year, is the principal policy making body. It takes advice from its Board of Trustee Directors, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council also takes executive action in certain matters and deals with day-to-day issues. The membership of the Bishop's Council is contained on page 3 of this report.

Delegation of day-to-day delivery The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the BDBF in accordance with the policies framed by the Trustees. The Diocesan Secretary and key staff during 2023 were:

Dr Jan Smart	Diocesan Secretary
Miss Karen Preece	Director of Finance
Mrs Sarah Smith	Director of Education
Mr Daniel Mayes	Property Director
Mr Ben Franks	HR Director

Recruitment and training of trustees

Trustees are recruited through a mixture of ex-officio positions, elections and nominations. Elections take place every three years before the first meeting of the new Diocesan Synod (itself elected every three years). The trustees have the power to co-opt members according to their assessment of the needs of the BDBF in terms of required skills and experience.

Induction for trustees includes a one-day event to ensure familiarisation with the organisation and its vision and strategy and also an overview of trustees' responsibilities. 2023 saw the second year of a three-year Trustee development programme to provide trustees with deeper knowledge and skills to further equip them for their role – sessions in the year covered the legal structures in relation to property holdings for the BDBF and parishes within the diocese

and the relationships between the two and the role and work of the Diocesan Board of Education.

They are also given relevant literature which explains the role and obligations associated with their role as a director and trustee of the BDBF. Trustees then receive ongoing training as appropriate. They will also receive an introduction to any special areas with which they will be working such as the Board of Education. Trustees are encouraged to visit Diocesan operations.

All trustees are required to maintain their entry in the register of declarations of interests.

Some senior staff have job titles incorporating the title 'Director' but they are not directors of the company (for the purposes of company law) and therefore are not 'charity trustees'.

Charity Governance Code

The BDBF welcomes the 'Charity Governance Code' and is working on its application. The three-year Trustee Development Programme which commenced in 2022 is part of our planned 'self-audit' review. The programme will continue throughout 2024.

Management structure

The BDBF is assisted in its work during the year by a number of committees:

The Diocesan Board of Education is a statutory body whose financial responsibilities are reported as part of the BDBF. The Board is also responsible for the Diocesan Church Schools' Fund (restricted fund).

Finance, Investment and Property Subcommittee (FIPS) acts in all finance matters, including audit, remuneration of BDBF staff, the management of BDBF investment property and fiscal investments and parsonage maintenance issues, and makes recommendations to Bishop's Council.

Executive Change Board was established by Bishops Council in 2022 to ensure that all strategic change activity is aligned with the *Transforming Church* vision and strategy of CoFE Birmingham. A process has been established by which strategic changes, and new initiatives can be encouraged, incorporated, monitored and held accountable.

The Diocesan Advisory Committee for the Care of Churches (DAC) provides advice on the effective stewardship and development of church buildings whether listed or not; church architecture, archaeology, art and history; conserving historic fabric and furnishings; and liturgy and worship. The DAC works with parishes at all stages of a 'building' project. One of its key responsibilities is oversight of the Faculty process, which is the Church of England equivalent of the civil planning process. As well as representation from with the CoFE Birmingham and the wider church, membership includes experienced specialists, who provide consultancy advice on a voluntary basis.

Other organisations with which the BDBF co-operates in achieving its objectives

Within the ministry of The Church of England Birmingham, the BDBF plays an important role in co-operation with other persons and charities which form part of the Church. Under the oversight of the Bishop of Birmingham, who shares the cure of souls with clergy and lay workers across the Diocese, the day-to-day responsibility for the funding of clergy stipend costs, providing clergy housing, training clergy and other Diocesan costs falls to the BDBF. Some of these clergy are trustees of the BDBF and they are listed on page 3.

The BDBF has important relationships with the national institutions of the Church of England, specifically:

The Archbishops' Council to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.

The Church Commissioners from which the BDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The BDBF pays clergy stipends through the Church Commissioners.

The Church of England Pensions Board which provides pensions for clergy and the BDBF's lay staff. It also offers schemes to provide housing for clergy in retirement.

At local level key relationships include:

Parochial Church Councils (PCCs) which are the main income source for the BDBF through the Common Fund system. PCCs are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. They are able to influence decision making within the BDBF and at Diocesan Synod level through representation to those bodies and through the input of their Deanery Synods.

Church Urban Fund (CUF) Joint Venture – the Bishop of Birmingham, the BDBF and CUF are the founding members and equal partners of *Thrive Together Birmingham* (Thrive). This is a company limited by guarantee with charitable status. The BDBF Director of Community Regeneration, an employee of BDBF, is also the Chief Executive of Thrive, and has oversight over development workers who are employed by that entity.

The Diocese of Birmingham Educational Trust which is a charity set up in response to the 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 operates as a sponsor or co-sponsor of Church of England Academies in the Diocese as required and supports Academy Trusts to both fulfil their responsibilities and provide a challenge to governors in this regard.

Birmingham Diocesan Multi-Academy Trust which is the Diocesan multi-academy trust that was established during 2017. The six sponsored academies which were under the umbrella of The Diocese of Birmingham Educational Trust transferred to this multi academy trust on 1 September 2017. The trust now has nineteen schools.

Birmingham Cathedral with whom there is an established pattern of close collaborative working.

St Martin's Trust and other local trusts which generously provide financial support to some of the Diocese's most economically deprived parishes.

Other Christian Denominations with and through whom the BDBF resources matters of workplace chaplaincy and ecumenical relations, notably through Churches & Industry Group Birmingham, Birmingham Churches Together and Local Ecumenical Partnerships.

Interfaith bodies, such as *The Feast*, as part of our cross-community work to promote good interfaith relations.

Birmingham Diocesan Trust (BDT) which is the custodian trustee for properties and permanent endowments on behalf of parishes and schools. BDT is a separately registered charity.

Volunteers

The Church of England Birmingham is dependent on the huge number of people involved in church activities both locally and at Diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church, particularly at times of crisis.

The BDBF greatly appreciates the considerable time given by all the committee members across the Diocese in pursuit of the mission of The Church of England Birmingham.

Estimating the 'in-kind' value of volunteer time to the operations of the BDBF is particularly difficult to measure in a meaningful way. It is for this reason that no estimate of the value of this time has been included in the financial statements.

Public benefit

The Church of England Birmingham through the BDBF reviews its work each year and considers outcomes and plans for the future. It takes account of the Charity Commission's general guidance on public benefit when reviewing its purpose and in considering how planned activities will meet that aim.

How our activities deliver public benefit

Our main activities aim to deliver public benefit in the following ways:

- **Clergy** Providing parish and other clergy to offer Christian services and spiritual oversight
- **Parochial Church Councils** Assisting PCCs to provide churches, sacred spaces and worship services
- **Parish Mission** Assisting parishes particularly through the *Transforming Church* vision and associated core activity and strategic programmes
- **Education** Contributing to the spiritual and moral education of children and young people in over 50 church schools
- **Social action** Contributing to and assisting in social action in parishes and elsewhere, such as food banks and night shelters
- **Training** Providing training and assistance in order that parishes have clergy and volunteers who are competent, for example, to assist clergy in providing Christian services, visiting the sick, and comforting the bereaved
- **Grants** Making grants to enable the national church institutions to function and have a positive wider influence
- **World Mission** In part through links with the Anglican Dioceses in Malawi and Bolivia

Who benefits from our services?

We aim to make our services open to as wide a section of the public as possible. For example:

- Everywhere in the diocese is part of a Church of England parish that has a member of clergy who has concern for the spiritual welfare of the individuals who reside in it
- Parishes in wealthier areas generally contribute somewhat more than the cost of their clergy in order that clergy can also be provided in less wealthy areas
- Training courses are offered at reduced or no cost where appropriate, in order that ability to pay is not a barrier to participation

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". The BDBF does not undertake fundraising from the general public but from time to time does apply for grant funding from grant-awarding charities. Any such amounts receivable are presented in the financial statements as 'voluntary income' and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees. The BDBF is not bound by any undertaking to be bound by any regulatory scheme. The BDBF has received no complaints in relation to fundraising activities. Its terms of employment require staff to behave reasonably at all times; as the BDBF does not approach individuals for funds, contracts of employment do not particularise this requirement for fundraising activities nor does the BDBF consider it necessary to design specific procedures to monitor such activities.

STRATEGIC AND OPERATING REVIEW

Financial overview of the year

This annual report looks to give a flavour of how The Church of England Birmingham family has been looking to rebuild its financial position following the challenges of COVID-19 as well as the cost-of-living and energy crises. In the widest sense, each of these events have substantially damaged the underlying financial health of many of our parishes (all independent charities). Because of the close Common Fund relationship between parishes and the Birmingham Diocesan Board of Finance (BDBF), the BDBF available resources are continuing to be very hard hit.

As a diocese our single largest source of income is parochial contributions – otherwise known as Common Fund. These funds are remitted to us by our parishes out of their income, which substantially comes from two key sources: voluntary giving and the rental of their church halls and other property. Both income streams have still not recovered everywhere to pre-pandemic levels, and this continued to have a substantial and direct impact on our collection of Common Fund over 2023. The generosity of our parishes and congregations continued to be severely tested again over the last year; although there are signs of improvement in giving and lettings, parishes are still experiencing very tight operating cash flow compounded by increasing maintenance costs (some as a result of delayed works and some as a result of high inflation levels). We have continued to work closely with our parishes to support them where we can in order to maintain our Common Fund income as far as possible. However, our current experience continues to show that it will be a long road to recovery for our parishes.

We have continued to hold costs down wherever possible in order to make financial savings and the National Church has continued to provide cash flow support through early payment of agreed grants, but this does not make up for a continuing shortfall in Common Fund income especially when compared with pre-COVID levels. There is no expectation of any further sustainability/gap funding available from the Church Commissioners for 2023 onwards.

Our 2024 budgets reflect a continuing financial operating shortfall of £1,500,000 – this is significantly more than our 2023 budget and reflects our experience over 2023 – our core costs (stipends and salaries) continue to rise in the midst of the cost of living crisis and high inflation when our core income streams have remained relatively static. The Board has again made provision for the utilisation of unallocated Strategic Investment Fund monies to cover our 2023 and 2024 operating deficits and the ongoing programme of property disposals will continue to maintain this fund (and replace any funds utilised over the next few years) to ensure that our transformation programmes can still continue to deliver on our vision.

Financial review

The 2023 headline income figure of £11,781,000 shows an overall significant decrease in income of £926,000 compared to £12,707,000 in the prior year. Even after excluding gains on the disposal of redundant assets, this still gives us a real decrease in income of £910,000. As is always the case, we need to dig deeper to understand the core underlying trends beneath the headlines.

Underpinning our day-to-day diocesan finances is our single largest source of income – parochial contributions or 'Common Fund' from our parishes. To complement the work we are carrying out under the *People & Places* deployment framework, we implemented a new common fund methodology in 2019 that draws inspiration from St Paul's writing of two communities that need to share – Common Fund is a powerful, practical application of God's generosity.

After the difficulties of 2020, it became clear that the methodology that we had implemented in 2019 was not sufficiently robust to withstand the wide swings in income that our parishes were experiencing, and we therefore implemented an interim methodology for 2021-2023, now extended into 2024. This used the commitments made by each

parish for 2020 as a base for giving. We then allowed parishes to take a more flexible approach to their offering – in general we accepted amounts between 75% and 100% of this original commitment, with conversations with those parishes that identified that this lower threshold would still be a problem. Our overall budget for 2023 was then set at 80% of the 2020 Commitment total (£4,975,000).

The total commitments made for 2023 were £4,988,000 including pledged gifts of £377,000 – this compares with a total of £6,021,000 in 2020. In 2023, our parishes actually contributed £4,635,000. This was £340,000 less than our original budget and only 93% of the commitments that had been made at the start of the year. On a positive note, gifts that were pledged were broadly delivered. Against the challenges of the last year, we recognise that this outturn demonstrated the real commitment of our parishes and again we are immensely grateful for their continued support. However, this fall in our key income stream must be set against a backdrop of a 5% increase in the diocesan stipend rate (in line with the rise in the national minimum stipend).

Remitted statutory fees from occasional offices (such as weddings and funerals) were only £9,000 greater than 2022. Although arresting a seven-year decline, this is still 28% lower than pre-pandemic levels.

We continue to proactively let empty parsonages during parish vacancies. Our housing rental income of £398,000 is however 12% less than 2022 – this reflects a move to more short-term lets and the use of 'Guardians' as a response to ongoing difficulties in recovering properties at the end of lets (as well as limited insurance cover when properties are left vacant). Rents achieved are slightly lower (even in a rising letting market) than we can obtain for longer lets – although properties are now being occupied for longer, whilst being easier to recover. Elsewhere, our investment income at £729,000 is £95,000 better than 2022 – this reflects much better investment performance across our portfolios, stemming from the improved market conditions during 2023 after a turbulent 2022.

The BDBF continues to receive significant support from the Church Commissioners in the form of Lowest Income Communities funding based on the Index of Multiple Deprivation for each parish. We received £1,983,000 of this funding in 2023 – we were again the recipients of an additional grant of £50,000 from the Oxford Diocese Mutuality Fund in addition to our expected grant of £1,933,000. The Strategic Ministry Fund (via Church Commissioners) has continued to support us when we have a cohort of more than our base of six curates starting each year. We received another new three-year grant for two starters in 2023 meeting 90% of the cost of each of them, in addition to ongoing funding for the three funded starters in 2021 and four in 2022.

We have continued to reap the financial benefits of Strategic Development and Capacity funding through a full twelve months of activity for the Shaping the Future programme, the People & Places framework and an ever increasing range of resourcing and church planting and other initiatives, contributing income of £1,710,000 (2022: £1,589,000). However, these income sources are restricted in nature and can only be utilised for specific activities.

We remain immensely grateful to Church Commissioners, Benefact Trust, Historic England and the many individual donors who share our mission vision and support our activities more widely.

The 2023 headline expenditure figure of £12,411,000 when compared to the prior year figure of £13,027,000 shows a reduction in expenditure of £616,000. The reduction excluding the one-off hardship grants paid out to parishes and clergy is £165,000. As noted within our income commentary, we need to again dig deeper to understand the core underlying trends beneath the headlines.

As noted in our key financial indicators, we have again experienced a high (though managed) parish clergy vacancy rate, as well as the impact of a 5% increase in stipends and lay salaries, which had implications for our ministry costs. Clergy Housing works were managed tightly during the year (the first of the new quinquennium)

and came in £93,000 under budget on a £945,000 works programme, despite the significant increases in costs experienced during the year. 2023 was our first full year of occupation in John Cadbury House – as well as seeing lower costs of occupation when compared with 1 Colmore Row, we also benefited from a release of £43,000 in relation to the Colmore Row dilapidations provision (thanks to some impressive negotiations). Alongside this, we did manage to deliver non-salary/stipend savings across most areas for a wide range of reasons.

Outside of clergy costs, our main areas of expenditure have again been within our restricted grant income resourced *People & Places* framework and missional initiative programmes including *Shaping the Future*, Church Planting and Children & Families Ministry as well as historical places of worship support.

KEY PERFORMANCE INDICATOR	2023 ACTUAL	2023 BUDGET
Common Fund collection rate on Sum Requested amount %	78%	80%
Common Fund collection rate on Pledged Gifts amount %	100%	100%
Common Fund overall collection rate on Budgeted amount %	93%	100%
Common Fund overall % rise year-on-year in cash terms	-3.3%	-9.5%
Parish clergy establishment posts	90	99
Dividend yield on Evelyn Partners investment portfolio %	7.1%	10.1%
Dividend yield on CCLA investment portfolio %	4.5%	3.7%
Reserves policy met	No	No

On an overall funds basis, there is a deficit for the year of £630,000 (2022: £320,000 deficit) before considering the year end non-cash adjustments in relation to investment and investment property valuations.

The increase of £309,000 (2022: £1,560,000 decrease) in the valuation of our investment portfolio year on year clearly reflects the much steadier market conditions that we have seen over the past year (in stark contrast to the previous two years). Although our accounting policies did not require an external valuation exercise to be carried out in respect of our Investment property portfolio until 2025, we have seen substantial fluctuations in property markets over the last 18 months and we therefore decided to commission an interim valuation exercise as at 31 December 2023. This indicated a net fall in value of £171,000, which is reflected in these accounts. This reduction was principally in relation to a single retail property which forms 30% of the total investment property portfolio value – the reduction reflects the fact that we are approaching the end of the existing lease. Although significant, both of these items are year-end financial statement adjustments which have no impact on the day-to-day running of and cash flows of the BDBF.

Work continues projecting further into the future to ensure that BDBF remains sustainable financially. Following the completion of our strategy review over 2022 and 2023, a formal sustainability exercise is in progress to develop our platform for growth. There are many factors to consider, but it is informed by a broad review of the key factors impacting on the BDBF financial outcomes:

- Ministry deployment: ordained and lay, paid and unpaid, parochial and pioneer
- Parish finances, including Common Fund contributions and parochial fees
- Centrally organised parish support services
- Long-term buildings strategy
- Continuing funding bids to Church Commissioners and others

Balance Sheet position

The BDBF trustees consider that the balance sheet, together with details in note 20 to the financial statements show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets, given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £45,668,000 (2022: £46,160,000) it must be remembered

that included in this total are properties, mostly in use for ministry whose value amounted to £23,136,000 (2022: £23,407,000). 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 BDBF.

Significant Property Transactions

During the year, we have completed the sale of one surplus parsonage owned by the BDBF together with one glebe parsonage (where the proceeds will be used towards the costs of a new parsonage during 2024). Bishop's Council has continued its policy to place the proceeds from significant unrestricted property disposals into the Strategic Investment Fund. This fund was designated by the BDBF for intentional strategic mission investment and in the long-term, it is still intended that this is the case. However, Bishop's Council has agreed that this fund will be used to cover operating deficits for 2023, 2024 and 2025, if needed.

We continue to progress on our long-term property estate development plan – over 2023, we have:

- Continued to replace or upgrade unsuitable properties (aiming to be more carbon neutral where possible)
- Continued to accommodate the changing geographical deployment of clergy within the diocese
- Started to develop a costed plan to achieve our net-zero carbon objective by 2030 – Church Commissioner funding has been approved to appoint a Net Zero Project Manager to progress this during 2024. However, the substantial funding necessary to deliver the plan has yet to be identified
- Realised development potential in some properties to use our resources more effectively for mission and ministry and have a number of development projects in progress
- Continued working collaboratively with Gloucester Diocese as part of the National Church response to the *Coming Home* Report to improve access to affordable housing – this includes being part of developing pilot projects on sites across the diocese that may become part of a national Church Housing Association

Factors that may impact on future financial performance

There are a number of factors which can impact on the BDBF's ability to meet its objectives, but which are outside its control. Most important is the collection of the Common Fund from the parishes. Any significant shortfall in the amount collected could have implications for our mission objectives and deployment, as has been evidenced over the course of the last three years. In response to this, actions to manage the numbers of stipendiary clergy effectively will continue alongside general cost savings to manage the BDBF financial position over this difficult period.

As is the case for all charities with historic endowment, the BDBF is vulnerable to changes in the value and returns upon its properties and stock market based (fiscal) investments. This is mitigated by employing specialist fund managers and advisors to help develop an appropriate investment policy.

As noted above, the BDBF receives significant support from the Church Commissioners, and we still expect to do so under the new nine-year funding settlement for dioceses announced during 2022. However, this is all restricted funding for limited time periods and so this brings into focus our business planning activities as we 'reimagine' the shape of mission and ministry for the next generation.

Reserves Policy

The BDBF has completed a review of its Reserves Policy and approved an updated policy at its meeting in March 2024. The key rationale behind the review and the resulting new policy is to reflect the ongoing understanding that the designated Strategic Investment Fund is as integral to balancing the operating budget as our unrestricted reserves.

STRATEGIC AND OPERATING REVIEW

The new policy is as follows:

Free reserves are maintained for the following reasons:

- To avoid bank borrowing if there is a temporary shortfall in income and/or surge in expenditure
- To provide for emergencies

The reserves policy of the BDBF is formulated in line with recommendations of the Charity Commission of England and Wales. The basic policy statement is as follows:

"The BDBF aims to maintain the equivalent of at least three months operating expenditure in cash and readily liquid assets in the general unrestricted fund and the designated Strategic Investment Fund insofar as it is not set aside for specific investment and growth activities. This excludes all other designated and restricted funds and loans. This policy is to be reviewed on an annual basis."

In arriving at the minimum amount, account has been taken of the Board's well-established effective income raising and budgeting process. Most income is now received in a steady stream throughout the year and performance against budget is monitored regularly. As at 31 December 2023, the reserves policy target is £2,766,000 representing three months unrestricted operating expenditure as budgeted for the forthcoming year. The trustees believe that such a reserves target will cushion the BDBF from short term revenue problems and will enable them to meet their legal requirements in case of serious financial problems.

The total unrestricted reserve stands at £6,518,000 including £4,307,000 of undesignated unrestricted reserves and available funds from the Strategic Investment Fund of £2,211,000. However, these reserves include £4,508,000 of non-readily realisable fixed assets, which leaves the BDBF with free reserves of only £2,010,000, which would be below the target of £2,766,000 as at 31 December 2023. The Trustees recognise that free reserves are less than target, however expect that the ongoing programme of property disposals will provide sufficient additional resources to manage BDBF through the current difficult times. Our 2024 budget already assumes that transfers of £1,492,000 will be required from the Strategic Investment Fund (total balance as at 31 December 2023 £2,783,000) in order to balance the budget and Bishop's Council has formally approved that the necessary funds can be un-designated if and when they are required. The ongoing property disposal programme is expected to continue to top-up this fund over the next few years – the top-up in 2023 was £799,000 compared with £798,000 being drawn down to cover the 2023 operating deficit.

Designated funds

The BDBF may with the approval of the board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered adequate for their retention. A description of each reserve with the intended use of the reserve is set out in note 21. During 2023, there were two significant designated funds, the first being the Strategic Investment fund totalling £2,783,000 as at 31 December 2023, which has been created using the proceeds for unrestricted property disposals since 2019. The fund is intended to be used for intentional strategic mission investments including funding to extend elements of our Church Commissioner grant funded *Shaping the Future* and *People & Places* strategic programmes. However, as noted above, in setting the 2024 budget Bishop's Council once again agreed to un-designate such funds as are deemed necessary in order to deliver a balanced unrestricted outturn. Prior to 2023, no use had been made of this approval due to the availability of Sustainability funding. The second of these funds is the Pastoral fund totalling £1,406,000 as at 31 December 2023.

Restricted and endowment funds

As set out in note 21 the BDBF holds and administers a number of restricted and endowment funds. As at 31 December 2023 restricted

funds totalled £7,465,000 (2022: £7,278,000) and endowment funds totalled £29,707,000 (2022: £29,203,000). Neither are available for the general purposes of the BDBF.

Investment policy

The BDBF maintains an overview of its investments through its FIPS sub-committee, which also monitors performance against market benchmarks and considers the adequacy of its investment mix.

The review of our published Statement of Investment Principles started in 2022 and completed in the first quarter of 2023. Although this did not recommend any changes to our fund managers, we agreed changes in the way that the funds are managed and reported. Throughout 2023, we worked with our fund managers to make the recommended changes in asset allocation and especially the way our managers identify and monitor 'collectives' (including unit trusts) to ensure that they reflect our move towards a 'greener' portfolio. All of these changes were carefully managed to ensure that there was no significant financial loss to the BDBF.

Throughout 2023 our overarching investment principles as embedded in our Statement of Investment Principles were as follows:

- Implement a balanced asset allocation approach to the portfolio with a medium risk profile
- Portfolio to be invested in well diversified, high-quality assets which provide protection against inflation over the long-term
- Performance to be reviewed against the ARC Sterling Steady Growth Charity Index which is the standard peer group benchmark for a UK charity with a medium risk profile
- Performance at least 3.5% better than inflation over the long-term, as measured by the UK Consumer Price Index (CPI), whilst generating sufficient income to support the work of the BDBF
- Investments will be made in compliance with the Ethical Investment Advisory Group (EIAG) guidelines of the Church of England and in particular to exclude investments in companies that generate more than 10% turnover from conventional fossil fuels (oil, gas, and coal), fossil fuel extraction and production, or oil and gas refining

The portfolio is managed in the following manner:

- Direct property investments managed by Bruton Knowles
- Marketable investments actively managed by Evelyn Partners
- Remaining funds within CCLA/ CBF funds on a self-managed basis

Investment funds within certain restricted funds (Malawi / Church Schools / Bishop Brown) are held within CCLA funds selected on the basis of the income/capital needs of the respective fund as appropriate.

We have seen a much more stable position with regard to our investment portfolio this year. Our relatively small investment valuation surplus of £309,000 reflects the much less volatile markets. This, together with the significantly higher base rate has seen investment income (£591,000) that is 20% better than last year. Investment performance on a total return basis over the last twelve months was much improved at +7.1% (compared with -7.2% in 2022). This was 3% worse than our new benchmark portfolio. However, we were only working against this new benchmark for part of the year following the implementation of our new investment policy and the consequent revisions to our portfolio.

Investment management advisor performance for both direct property and marketable investments will continue to be robustly monitored in the forthcoming year in line with our updated Investment Policy and recommendations arising from the review.

Grant making policy

The BDBF has established its grant making policy to achieve its objectives for public benefit (as detailed on [page 39](#)). We deliver our public benefit to the wider population in the Diocese by the work of our parishes. We support this work by grant programmes that

help parishes to further engage and service their local communities. This may be mission activities, community regeneration, church maintenance, schools and world mission. All grant applications must be made in writing. Parish mission and delivery plans and available resources are considered in the distribution of available grants.

Remuneration of key management personnel

Emoluments of higher paid employees are determined by the Chair of the DBF with reference to regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

Principal risks and uncertainties

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

- An annual budget and five-year financial plan approved by the trustees
- Regular consideration of both financial results and other performance indicators
- Delegation of authority and segregation of duties

As part of this responsibility, the trustees are also required to ensure that effective and adequate risk management is in place to manage the major risks to which the BDBF is exposed. They have a clear mechanism for obtaining assurance on the management of risks. The trustees agree the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

During 2023, the BDBF implemented a new risk assessment framework (agreed for use by Bishop's Council in February 2023). Individual risks are assessed using a scoring mechanism, with respect to the inherent likelihood of occurrence and the likely severity of impact on the BDBF, the steps in place to mitigate the risk and the resulting impact on residual risk. Residual risks are ranked using a 'traffic light' scheme (red / amber / green). Under the new framework, risk will be reported directly to Bishop's Council rather than FIPS as many identified risks are outside the remit of FIPS.

Risks are considered and presented as either Strategic or Operational risks within an active risk register. Strategic risks are identified as significant when they influence the achievement of our strategic diocesan goals through the Transforming Church strategy alongside day-to-day operational activities. These may include major internal risks, such as financial sustainability or compliance risks. Or they may be external events with high impact which the BDBF cannot control and for which the BDBF needs to develop response mechanisms. During 2023, this has particularly included the ongoing assessment of the financial impacts of our reducing Common Fund income as well as continuing increases in clergy stipends and lay salaries on the long-term sustainability of the BDBF. Operational risks are day-to-day risks and more likely to be internal, within the BDBF's control and with a higher level of probability of the risk event happening. The BDBF's focus of attention on these risks relates to how it can control, manage or transfer the risk to a third party.

The strategic risks which are currently assessed as scoring highest, and the outline mitigating strategies to address them, are shown in the table below.

RISK	MITIGATION STRATEGY
<i>The impact of the COVID-19 pandemic and the subsequent energy and cost-of-living crises on the ability of parishes to meet diocesan Common Fund expectations results in significant and longer-term financial loss for the BDBF that it is unable to sustain</i>	<ul style="list-style-type: none"> • Cashflow (and outturn) forecasts based on latest information to identify pinch points. • Engagement with parishes to establish sustainability of Common Fund contributions. • Additional grant funding from National Church • Longer term plans including re-evaluation of designated reserves and a programme of property disposals to provide bridge funding to cover forecast deficit on unrestricted fund activity in 2024-2025
<i>Failure to effectively embed our Common Fund methodology leading to non-payment of Common Fund for reasons other than affordability</i>	<ul style="list-style-type: none"> • Clear biblical foundation to methodology with clear and effective communication, generosity and discipleship plans • Monthly review of contribution profile assisted by proactive discussions with parishes. • Review of effectiveness of methodology in a post-COVID world ongoing – new approach to be consulted on in 2024 and implemented from 2025
<i>The People & Places framework for mission and ministry does not deliver the required culture change in a timely manner</i>	<ul style="list-style-type: none"> • Full time Area Deans in place to facilitate culture change supported by Project teams comprising local laity and clergy. • Appointment of Oversight Ministers supported by programme of facilitated training through learning cohorts. • Increased focus on Oversight Area mission planning • New approach to clergy and lay learning and development • Review and refreshment of programme in 2023 together with ongoing monitoring and evaluation processes
<i>Failure to grow the Church in its mission, especially at the speed required by Church Commissioners funding streams</i>	<ul style="list-style-type: none"> • Governance structures in place for effective monitoring and evaluation of mission goals and financial impact consequences • 2022 Strategic Review outcomes rolled out in 2023 – through a new Executive Board governance and review structure with a clearly defined focus on mission growth • Ongoing development of substantial bid for longer term DIP (Diocesan Investment Programme) funding through Church Commissioners 2022-2031 Triennium Funding
<i>Dependency on Church Commissioners funding for missional growth support activities</i>	<ul style="list-style-type: none"> • Effective management and delivery mechanisms on existing Church Commissioners funded programmes to ensure trust and confidence in delivery capacity to support further funding bids. • Plans being developed to establish our sustainable baseline that will underpin 2024 bid for DIP funding to support our Strategic goals. • Identify other income streams including regional funding bids and offering back-office services to other dioceses
<i>Reputational and financial risks associated with safeguarding of young people and vulnerable adults</i>	<ul style="list-style-type: none"> • Comprehensive training programme throughout DBF and parishes • Part of Pathfinder pilot to implement the IICSA recommendation • Diocesan Safeguarding Advisory Panel (DSAP) – with independent Chair (new appointment in 2023) and external safeguarding experts from statutory agencies • DSAP and Operational Safeguarding Group monitor CofEB compliance with national safeguarding requirements.
<i>CofE Birmingham is unable to meet its commitment to Diocesan Synod for net zero emissions by 2030</i>	<ul style="list-style-type: none"> • Environmental Board (steered by Bishop) to drive this work – routemap in place to set milestones to ensure delivery. • Net Zero Carbon group developing costed plan for works required to the property portfolio – Church Commissioners funding obtained for dedicated Net Zero Programme Officer • Investment strategy review has identified and enabled managed divestment of investments that do not meet zero carbon criteria (including fossil fuel)

STRATEGIC AND OPERATING REVIEW

Plans for future periods

Our vision of “*Transforming Church – growing churches at the heart of each community*” continues to be central to our plans for future periods, with the core principles of:

- Grow in number of disciples
- Engage with children, youth, families and other missing generations
- Worshipping communities are diverse (representative of our communities) and accessible to all
- Grow in partnerships and impact on the community
- Flourishing ordained and lay leadership that reflects the diversity of the wider population of the diocese
- Grow in depth of discipleship
- Achieve financial sustainability
- Environmental sustainability
- All underpinned by a culture of prayer

We recognise that our pattern of ministry and mission needs to be relevant to each local context and will vary across locations. Key activities in the coming year will include:

- Continue the *People & Places* structural and culture changes; supporting Oversight Areas and Oversight Ministers to emerge and flourish
- Continue church growth strategies through local parish growth, church planting and revitalisation
- Oversight Area mission planning to support churches to engage with their local communities and play their part in the transformation of their neighbourhoods
- Focus on the creation of learning pathways for new leaders
- Continued reimagining of ministry and discipleship
- Collaboration with the DBE to further deepen and promote the Christian Distinctiveness of our schools
- Continue work on the route map to net zero carbon emissions by 2030
- Further embedding an ethos of diversity, inclusivity and generosity
- Identifying opportunities to improve financial sustainability

Directors’ report

Going concern

2023 has once again been a difficult year for Birmingham – our parishes are still struggling to rebuild their finances to pre-pandemic levels – the cost-of-living and energy cost crisis in 2022 coupled with spiralling inflation is continuing to impact across the diocese. Taking all of this together, BDBF Common Fund collection has struggled even more during 2023 than we had expected, although the signs were there at the start of the year. Collection in 2023 was 3% lower than 2022 and 7% lower than the commitments made by parishes at the start of the year and our expectations for 2024 are no better. Our indicative Common Fund for 2024 is that we should deliver a relatively flat position year on year.

Since Common Fund remains the key unrestricted income stream for the BDBF, this has again required the Directors to consider the question of going concern in significantly more detail than it would have done before the pandemic. The 2024 budget has been prepared on the basis that common fund income will be broadly in line with the 2023 budget – at 80% of our base commitments for 2020. We did not achieve this in 2023 and as noted, our expectation is that we will fail to do so again.

The cost budget reflects some small savings however it also reflects a further 5% increase in clergy stipends and lay salaries. This level of increase was considered very carefully – however it was felt that a smaller increase would mean that clergy and lay staff would fall further behind at the time when all of the indications are that they are still feeling the impacts of high energy costs and inflation. Bishop’s Council has agreed to allocate £1,492,000 (from the designated Strategic Investment Fund) to balance the 2024 outturn (having already used £798,000 to balance the 2023 outturn). Our forecasts assume that there will be no further Sustainability funding available from National Church. The planned property disposal programme to replace any designated funds used to fund unrestricted core activities is continuing to progress and further properties continue to be identified

as potential disposals (and therefore operating cost savings as well as cash inflows). Restricted activities are expected to continue as per their agreed programmes, with our major *People & Places* programme broadly completing by the end of 2024. An outline 2025 budget and cash flow forecast has been prepared as part of an updated five-year financial plan to reflect latest expectations in relation to unrestricted income (particularly Common Fund) and overhead costs.

Based on the above, the trustees are satisfied that the BDBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Charitable and political donations

No political contributions were made during the year. Charitable contributions have been made as part of the BDBF’s objectives, mainly to projects sponsored under parish initiatives.

Taxation status

The BDBF is a charity having been established under the Diocesan Boards of Finance Measure 1925 and, as such, is not liable to income tax or corporation tax. The BDBF is also registered as a charity (reg. no. 249403).

Responsibilities of the trustees

The trustees are responsible for preparing the Trustees’ strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

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

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

Statements as to disclosure of information to auditors

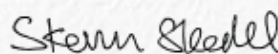
The trustees have taken all the necessary steps to make sure that they are aware of any relevant audit information and to establish that the auditors are aware of that information.

As far as the trustees are aware, there is no relevant audit information of which the charitable company’s auditors are unaware.

Appointment of auditors

A resolution to re-appoint Haysmacintyre LLP will be proposed at the forthcoming annual general meeting.

The Board of Trustees approve their Annual Report and, in their capacity as company directors, also approve the Strategic Report incorporated therein on 20 June 2024 and signed on its behalf.



Mr Steven Skakel

Chair and Director of Birmingham Diocesan Board of Finance

APPENDIX SUMMARY INFORMATION

The Structure of the Church of England

The Church of England is organised as two provinces, each led by an archbishop. The Archbishop of Canterbury leads the Southern Province, and the Archbishop of York leads the Northern Province. Each province is comprised of dioceses of which there are 41 in England (42 including the Diocese of Europe).

Dioceses, each under the spiritual leadership of a Diocesan Bishop, are the principal pastoral, financial and administrative resource of the Church of England. Each diocese is divided into parishes. Each parish is overseen by a parish priest, who is an Incumbent (Vicar or Rector) or Priest-in-Charge. From ancient times through to today, incumbents and their bishop are responsible for the 'cure of souls' in their parish.

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

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

The three National Church Institutions

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

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

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

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

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

The Diocese

The Cathedral Birmingham Cathedral is the Mother Church of the Diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from Birmingham Cathedral (St Philips), Colmore Row, Birmingham, B3 2QB.

Diocesan Synod The statutory governing body of the Diocese is Diocesan Synod which is made up of broadly equal numbers of clergy and lay representatives elected from across the Diocese together with the bishops and archdeacons. Its role is to:

- Consider matters affecting the Church of England in the Diocese
- Act as a forum for debate of Christian opinion on matters of religious or public interest
- Advise the bishop where requested
- Deal with matters referred by General Synod
- Provide for the financing of the Diocese

Deanery Synod There is a Deanery Synod in each of the Diocese's six deaneries. Each Deanery Synod has two houses, laity and clergy, and Deanery Synod's role is to:

- Respond to requests from General Synod
- Give effect to the decisions made by Diocesan Synod
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod
- Raise with Diocesan Synod such matters as it considers appropriate
- Elect members of the deanery to Diocesan Synod and of the Diocese to General Synod

The Bishop's Council

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

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

Parochial Church Council (PCC) A PCC is the elected governing body of an individual parish which in general is the smallest pastoral area in the Church of England. Typically each parish has one parish church. A PCC is made up of the incumbent as chair, the churchwardens, and a number of elected and ex-officio members. Each PCC is a charity. All PCCs with gross income over £100,000 are required by law to register with the Charity Commission (as soon as practical after their gross income exceeds £100,000) unless the Charity Commission issues a written determination to the contrary. This may be possible in exceptional circumstances such as when gross income includes a substantial grant for a purpose that will not be repeated for the foreseeable future. If not required to register, PCCs are 'excepted' charities.

Other than where shown, the transactions of PCCs do not form part of the attached financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

Parishes, Benefices, Deaneries and Archdeacons A benefice is an ecclesiastical office in a parish or group of parishes normally served by an incumbent. Team ministries may have several clergy of incumbent status serving in one benefice. A deanery is a group of parishes over which an area dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

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

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

Opinion

We have audited the financial statements of the Birmingham Diocesan Board of Finance Limited for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 44, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

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

Use of our report

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



Adam Halsey (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 18 July 2024

10 Queen Street Place, London EC4R 1AG

FINANCIAL STATEMENTS

Statement of financial activities

FOR YEAR ENDED 31 DECEMBER 2023

COMPANY NUMBER: 440966

	Note	Restricted funds		Unrestricted funds		Total funds 2023	Total funds 2022
		Endowment funds	Other funds	Designated funds	Undesignated funds		
		£'000	£'000	£'000	£'000	£'000	£'000
INCOME							
INCOME AND ENDOWMENTS FROM							
Donations:	2						
Parish contributions		-	32	-	4,633	4,665	4,832
Archbishops' Council		-	2,328	-	1,983	4,311	4,635
Other donations		-	135	-	709	844	1,309
Charitable activities	3	-	63	-	318	381	381
Other trading activities	4	-	49	-	426	475	524
Investments	5	6	226	16	481	729	634
Other income	6	279	-	-	97	376	392
TOTAL INCOME		285	2,833	16	8,647	11,781	12,707
EXPENDITURE ON							
Raising funds	7	23	-	-	90	113	126
Charitable activities	8	2	2,501	111	9,681	12,295	12,895
Other	9	-	-	-	3	3	6
TOTAL EXPENDITURE		25	2,501	111	9,774	12,411	13,027
Net (expenditure) / income before investment gains and losses		260	332	(95)	(1,127)	(630)	(320)
Net (losses) / gains on investments		177	179	2	(49)	309	(1,560)
Net gains on investment property		(141)	-	-	(30)	(171)	-
NET (EXPENDITURE) / INCOME		296	511	(93)	(1,206)	(492)	(1,880)
Transfers between funds	21	208	(322)	170	(56)	-	-
Other recognised gains / (losses)	23	-	-	-	-	-	299
NET MOVEMENT IN FUNDS		504	189	77	(1,262)	(492)	(1,581)
Total funds brought forward	21	29,203	7,276	4,112	5,569	46,160	47,741
TOTAL FUNDS CARRIED FORWARD	21	29,707	7,465	4,189	4,307	45,668	46,160

Transfers between funds

For analysis of transfers between funds, see note 21. All activities derive from continuing operations.

FINANCIAL STATEMENTS

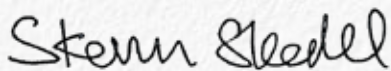
Balance sheet

FOR YEAR ENDED 31 DECEMBER 2023

COMPANY NUMBER: 440966

FOR YEAR ENDED 31 DECEMBER 2023		2023		2022	
COMPANY NUMBER: 440966		£'000	£'000	£'000	£'000
	Note				
FIXED ASSETS					
Tangible assets	15	23,363		23,561	
			23,363		23,561
INVESTMENTS:					
Investment properties	16	2,399		2,570	
Other investments		12,603		12,518	
			15,002		15,088
TOTAL FIXED ASSETS			38,365		38,649
CURRENT ASSETS					
Debtors	17	1,773		2,076	
Cash at bank		6,817		7,189	
		8,590		9,265	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		18	(1,277)	(1,724)	
NET CURRENT ASSETS			7,313		7,541
TOTAL ASSETS LESS CURRENT LIABILITIES			45,678		46,190
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		19	(10)		(30)
NET ASSETS		21	45,668		46,160
FUNDS					
Restricted income funds			7,465		7,276
Endowment funds			29,707		29,203
Unrestricted income funds:					
Designated			4,189		4,112
Undesignated			4,307		5,569
	21		45,668		46,160

The Statement of Financial Activities, Income and Expenditure Account, Cash flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 20 June 2024 and signed on behalf of the Board by:


Mr Steven Skakel **Chair**

Income and expenditure account

FOR YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£'000	£'000
Total incoming resources	11,496	12,689
Resources expended	(12,386)	(12,997)
Net (expenditure) / income before gains for the year	(890)	(308)
Net gains / (losses) on investments	132	(1,012)
Net gain / (loss) on investment property	(30)	-
NET (EXPENDITURE) / INCOME FOR THE YEAR	(788)	(1,320)
Other comprehensive income:		
Net assets transferred to endowments	(208)	(215)
TOTAL COMPREHENSIVE (EXPENDITURE) / INCOME	(996)	(1,535)

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.

Cash flow statement

FOR YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		£'000	£'000
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	25	(1,963)	(1,724)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rent from investments		695	622
Interest paid		(3)	(1)
Proceeds from sale of:			
Tangible fixed assets / current assets for the use of the BDBF		1,246	470
Other investments		1,029	605
Purchase of:			
Tangible fixed assets for the use of the BDBF		(606)	(182)
Other investments		(809)	(571)
NET CASH PROVIDED BY INVESTING ACTIVITIES		1,552	943
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans repaid by BDBF		(20)	(20)
Loans repaid to BDBF		19	20
New loans made by BDBF		-	(33)
New loan received by BDBF		40	-
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		39	(33)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		(372)	(814)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		7,189	8,003
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	26	6,817	7,189

NOTES TO THE ACCOUNTS

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011, applicable accounting standards (FRS102), Charities SORP (FRS102), The Church of England Diocesan Annual Reports and Financial Statements Guide and under the historical cost accounting rules except that fixed asset investments, current asset investments and investment properties are included at fair valuation.

The financial statements are presented in Sterling (being the functional currency for all of its activities) rounded to the nearest £'000.

The BDBF meets the definition of a public benefit entity under FRS102.

Company status

The company is limited by guarantee, incorporated and registered in England and Wales (No. 440966). The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The company's registered office is John Cadbury House, 190 Corporation Street, Birmingham, B4 6QD.

Going concern

The trustees assess whether the use of the going concern principle is appropriate, i.e. whether there are any principal uncertainties, related events or conditions that may cast significant doubt on the ability of the BDBF to continue as a going concern. The worldwide COVID-19 pandemic and Cost of Living Crisis had a significant impact on the work and the finances of the BDBF during the financial year and this is expected to continue into 2024. The Directors' Report on page 44 sets out the response of the BDBF to this unexpected and unprecedented change to the activities of the charity, and in particular the unrestricted income of the charity. The report briefly sets out the mitigating actions that have been taken and will continue to be taken to ensure that the BDBF can continue as a going concern. The trustees make this assessment in respect of the period of at least one year from the date of the authorisation for issue of the financial statements and have concluded that the BDBF has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the BDBF's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The principal accounting policies and estimation techniques are as follows:

Income

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

Common Fund and income from parochial fees The principal source of income comes from voluntary giving in the form of parish contributions (Common Fund), which includes amounts received up to the 31 January following the year end. Common Fund income also includes any arrears received from previous years.

Grant income Income from the Archbishops' Council is accounted for on a receivable basis and represents the annual grant for CoFE Birmingham and parish mission, the funds for which originate in a block grant by the Church Commissioners to the Archbishops' Council. The annual grants from the Archbishops' Council may be used for either mission and ministry support for lower income communities (Lowest Income Communities Fund), restructuring activities (Restructuring Fund) or a range of strategic development activities (as set out in note 21 to the accounts).

Other grant income is recognised when receivable. This included Sustainability Grants from the Archbishops' Council, which were made available to bridge the gap between the expected unrestricted

outturn and the actual unrestricted outturn, arising from the impact of the COVID-19 pandemic on the DBF financial position. The total funds allocated and received were held within a designated fund and all funds were utilised in 2022.

Rent and investment income Rent and investment income are recognised as income when receivable.

Gains on disposal of fixed assets for the BDBF's own use Gains on disposal of fixed assets for the BDBF's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.

Birmingham Diocesan Endowment Fund income The income from this fund is restricted for purpose of 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.

Glebe Fund income All clear income derived from its investments is transferred to the General Fund as contribution towards the cost of clergy stipends. 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.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the BDBF to pay out resources. Expenditure is included on the accruals basis under the following headings; all costs are allocated to a specific category.

Costs of raising funds These are the costs of managing the Endowment, Glebe and Unrestricted fund investments, plus the costs associated with letting the vacant parsonages and investment properties.

Charitable expenditure Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry and expenditure on education and Church of England schools in the diocese.

Resourcing ministry and mission includes the direct costs for the clergy and parishes, plus the costs of supporting the work of the parishes within the CoFE Birmingham. This principally includes the cost of clergy stipends, costs related to maintaining clergy housing in the parishes, the payment of grants to assist parish work plus the related staff costs and overheads.

Grants payable Grants payable are accounted for when authorised, when the award of the grant has been specifically communicated to the recipient and when the trustees have agreed to pay the grant without condition, or any condition attaching to the grant is outside the control of the BDBF. Grants offered subject to certain conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Support costs Support costs consist of central management, administration and governance costs. They are allocated to categories of expenditure (resourcing ministry and mission, raising funds and education) on the basis of the proportion of staff time spent on each area of activity.

Pension costs and other post-retirement benefits The BDBF contributes to the Church of England Funded Pension Scheme for clergy and the Church Workers Pension Fund for other staff. Both these schemes are multi-employer pension schemes. The pension costs charged as resources expended represent the BDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding liabilities (where applicable) for the pension schemes in which the BDBF participates would be recognised at the present value of contributions payable that arise from the deficit funding agreement. The liability would be recognised in creditors distinguishing between contributions falling due within one year and after more than one year. Details of the schemes are given in note 23 to the financial statements.

Redundancy and termination benefits Redundancy and termination benefits are recognised as soon as there is a legal or constructive obligation committing the BDBF to pay out resources.

Tangible fixed assets and depreciation

Freehold properties and parsonages Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material, due to the very long expected remaining useful life in each case, and because their expected residual values are not materially less than their carrying value.

The BDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value.

Parsonage houses recognition The BDBF 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 BDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if declared redundant. The Trustees therefore consider the most suitable accounting policy to be to capitalise such properties as expendable endowment assets and to carry them at cost where known, otherwise at the deemed cost valuation of the midpoint of the relevant 1994 council tax band value.

Other non-investment properties The BDBF includes all other non-investment properties at cost where known, otherwise at the deemed cost valuation of the midpoint of the relevant 1994 council tax band value.

For properties that are jointly owned with a third party such as a parochial church council, only the proportion of the BDBF's investment in the property is accounted for within the financial statements of the BDBF.

Redundant churches are included at nil value.

Investment properties In accordance with FRS102, investment properties are carried at their fair value – this is considered by the Trustees annually and the aggregate surplus or deficit is recognised in the Endowment Fund and Glebe Fund. Investment properties were last professionally valued as at 31 December 2020, the results of which are included in these financial statements. If an asset changes category in the period under review then a professional valuation of the property is undertaken as the property changes category. The next professional valuation of properties is due as at 31 December 2025. No depreciation is provided on investment properties.

Non-Property fixed assets Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

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

Computer equipment	3 years
Office furniture and fittings	10 years or the end of the property lease if relating to tenant's improvements

Financial investments

Financial investments are stated at fair value. Realised gains or losses are recognised in the Statement of Financial Activities when financial investments are sold. Unrealised gains and losses are accounted for on revaluation of financial investments at the year end.

Critical accounting estimates and areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Accounting estimates

The BDBF 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 a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of investment properties The BDBF carries its investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The BDBF engaged independent valuation specialists to determine fair value at 31 December 2020. Some of the key assumptions used to determine the fair value of these assets are based on the valuer's knowledge and experience of the market and values of similar properties, which could be deemed subjective.

Assumptions surrounding the clergy and church workers pension schemes The BDBF contributes to the Church of England Funded Pension Scheme for clergy and the Church Workers Pension Fund for other staff. Both these schemes are determined to be multi-employer pension schemes and as required under FRS102, the BDBF recognises any agreed deficit funding liabilities on its balance sheet. The key actuarial assumptions that underpin the required deficit funding contributions liability are based on the actuary's knowledge and experience. Any changes in these assumptions as given in note 23 could have a significant impact on the required deficit funding contributions and resulting balance sheet liability.

Areas of judgement

Current assets held for resale The BDBF carries any current assets held for resale at fair value, which includes the estimated realisable proceeds net of costs associated with selling the asset. The estimated net proceeds are based on the 'for sale' price and associated costs determined by an independent valuation specialist or an offer made by a buyer post year end.

Concessionary loans Concessionary loans (both made and received) are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment. They are assessed for objective evidence of impairment at the end of each reporting period.

Non-depreciation of freehold properties and parsonages Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material, due to the very long expected remaining useful life in each case, and because their expected residual values are not materially less than their carrying value.

All estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Funds

Funds over which the BDBF's control is limited by statute or the terms of a trust deed, or which are restricted in their use, have been defined as 'restricted funds'. Funds which are controlled by the BDBF and over which there are essentially no restrictions as to their use (either by statute or trust) have been defined as 'unrestricted'. Designated funds are unrestricted funds that have been set aside by the BDBF for purposes designated by BDBF policy. Such designations may be set aside from time to time according to policy decisions.

NOTES TO THE ACCOUNTS

Endowments

The Endowment Funds are those whose capital represent permanent endowment and are therefore not available for revenue expenditure. For two of the funds, the income derived from the properties and other investments is available for meeting the costs of clergy stipends:

Diocesan Glebe This represents those historic lands and buildings which were held by incumbents and formed part of the benefice prior to the Endowment and Glebe Measure 1976. Glebe investments are subject to regulations under this Measure and previous Acts of Parliament, the main provisions being that Glebe should be held only as land or property.

The Endowment Fund This is a local fund originally set up under a Charity Commissioners Scheme of 1906 (amended in 1930) and is available for investment at the discretion of the Board of Finance subject to general charities legislation.

Details of the other two endowment funds are given in note 21 to the financial statements, along with details of the other major funds held by the BDBF.

Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the overall lease term.

Schools major repair and capital projects

The Board of Education (as incorporated within the BDBF) receives contributions from governors of church schools in 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 the 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 incoming resources or resources expended in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with any qualifying institution repayable within a three month notice period.

Financial instruments

The BDBF has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments" of FRS102 in full to all of its financial instruments.

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost being the transaction price less any amounts settled and any impairment losses.

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less amounts settled.

Concessionary loans (both made and received) are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment. They are assessed for objective evidence of impairment at the end of each reporting period.

2 Donations

	Restricted funds		Unrestricted funds		Total funds 2023	Total funds 2022
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000	£'000	£'000
PARISH CONTRIBUTIONS						
Common Fund – current	-	-	-	4,588	4588	4,766
Common Fund – prior	-	-	-	45	45	41
TOTAL COMMON FUND	-	-	-	4,633	4633	4,807
Contributions to Malawi Fund	-	32	-	-	32	25
TOTAL PARISH CONTRIBUTIONS	-	32	-	4,633	4,665	4,832
ARCHBISHOPS' COUNCIL						
Strategic Development	-	1,697	-	-	1,697	1,518
Strategic Capacity	-	13	-	-	13	71
Strategic Ministry	-	451	-	-	451	303
Lowest Income Communities Funding	-	-	-	1,983	1,983	1,997
Sustainability Grant	-	-	-	-	-	475
Resourcing Ministerial Education Block Grant	-	167	-	-	167	271
TOTAL ARCHBISHOPS' COUNCIL	-	2,328	-	1,983	4,311	4,635
OTHER DONATIONS						
Stipend sources	-	-	-	511	511	478
Benefact Trust	-	-	-	168	168	192
Other donations to Malawi Fund	-	15	-	-	15	14
Historic England – Places of Worship officer	-	24	-	-	24	25
Other donations	-	42	-	23	65	78
Other grants	-	54	-	7	61	522
TOTAL OTHER DONATIONS	-	135	-	709	844	1,309

2 Donations (continued)

The annual grants from Archbishop's Council may be used for either specific parish mission and development projects or for clergy stipends. The Strategic Development Funding is restricted to the *Shaping the Future, People & Places* and various Church Planting programmes or mission activities. The Strategic Capacity funding is restricted to the *People & Places* programme. Strategic Ministry Funding is restricted to supporting curates in training with the objective of increasing the number of curacies that the diocese is able to offer in any one year.

The Resourcing Ministerial Education Block Grant is to be used for approved clergy training pathways. The Sustainability Grant is a grant to bridge the gap between the expected and actual unrestricted outturn as a result of COVID-19.

3 Income from charitable activities

	Restricted funds		Unrestricted funds		Total funds 2023	Total funds 2022
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	-	-	-	248	248	239
Parish training events	-	-	-	5	5	30
Insurance proceeds	-	-	-	-	-	2
Schools training events and services	-	61	-	-	61	59
Payroll Bureau service	-	-	-	13	13	14
Interest receivable on parish loans	-	2	-	52	54	37
TOTAL	-	63	-	318	381	381

Total income from charitable activities for the year ended 31 December 2022 of £381,000 was split between funds as follows: £62,000 in other restricted funds and £319,000 in undesignated funds.

4 Other trading activities

	Restricted funds		Unrestricted funds		Total funds 2023	Total funds 2022
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000	£'000	£'000
Housing income	-	-	-	398	398	453
Recharges to other Christian organisations	-	49	-	25	74	66
Recharges to other charitable organisations	-	-	-	3	3	5
TOTAL	-	49	-	426	475	524

Total income from other trading activities for the year ended 31 December 2022 of £524,000 was split between funds as follows: £2,000 in other restricted funds and £522,000 in undesignated funds.

5 Investment income

	Restricted funds		Unrestricted funds		Total funds 2023	Total funds 2022
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends and interest	9	216	16	350	591	492
(Loss) / profit on sales of investments	(3)	-	-	(1)	(4)	(3)
Rents	-	10	-	132	142	145
TOTAL	6	226	16	481	729	634

Total investment income for the year ended 31 December 2022 of £634,000 was split between funds as follows: £18,000 in endowment funds, £196,000 in other restricted funds, £11,000 in designated funds and £409,000 in undesignated funds.

6 Other income

	Restricted funds		Unrestricted funds		Total funds 2023	Total funds 2022
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000	£'000	£'000
Gain on sale of fixed assets	279	-	-	97	376	392
TOTAL	279	-	-	97	376	392

Total other income for the year ended 31 December 2022 of £392,000 was split between funds as follows: £392,000 in undesignated funds.

NOTES TO THE ACCOUNTS

7 Fundraising costs

	Restricted funds		Unrestricted funds		Total funds 2023	Total funds 2022
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000	£'000	£'000
Investment management costs	23	-	-	7	30	32
Property rental costs	-	-	-	83	83	94
TOTAL	23	-	-	90	113	126

Total fundraising costs for the year ended 31 December 2022 of £126,000 was split between funds as follows: £28,000 in endowment funds and £98,000 in undesignated funds.

8 Expenditure on charitable activities

	Restricted funds		Unrestricted funds		Total funds 2023	Total funds 2022
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000	£'000	£'000
CONTRIBUTION TO ARCHBISHOPS' COUNCIL						
Training for ministry	-	-	-	189	189	189
National Church responsibilities	-	-	-	130	130	132
Mission agency pension costs	-	-	-	6	6	8
Retired clergy housing costs	-	-	-	75	75	71
Pooling of ordinands maintenance grants	-	-	-	(35)	(35)	9
TOTAL	-	-	-	365	365	409
RESOURCING MINISTRY AND MISSION						
Parish Ministry:						
Stipends and National Insurance	-	419	70	3,885	4,374	4,104
Pension contributions	-	60	2	900	962	1,076
Housing costs	-	-	1	1,424	1,425	1,656
Removal, resettlement and grants	-	30	-	365	395	400
Training for ministry tuition fees	-	115	-	-	115	221
Archdeacons, vocations, chaplaincy & other expenses	-	99	3	357	459	517
TOTAL	-	723	76	6,931	7,730	7,974
Mission grants	-	361	10	39	410	303
Grants to support parishes	-	1	-	-	1	425
Support for parish ministry	2	1,205	25	2,173	3,405	3,411
TOTAL	2	1,567	35	2,212	3,816	4,139
EXPENDITURE ON EDUCATION						
Support for Church Schools	-	211	-	173	384	373
TOTAL	2	2,501	111	9,681	12,295	12,895

Total expenditure on charitable activities for the year ended 31 December 2022 of £12,895,000 was split between funds as follows: £2,000 in endowment funds, £2,760,000 in other restricted funds, £68,000 in designated funds and £10,065,000 in undesignated funds.

9 Other expenditure

	Restricted funds		Unrestricted funds		Total funds 2023	Total funds 2022
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000	£'000	£'000
Loss on sale of property	-	-	-	-	-	2
Interest payable on other loans	-	-	-	3	3	1
Interest charge on pension liabilities	-	-	-	-	-	3
TOTAL	-	-	-	3	3	6

Total other expenditure for the year ended 31 December 2022 of £6,000 was split between funds as follows: £3,000 in designated funds and £3,000 in undesignated funds.

10 Analysis of expenditure including allocation of support costs

	Activities directly undertaken	Grant funding of activities	Support costs	Total 2023
	£'000	£'000	£'000	£'000
Raising funds	113	-	-	113
Charitable activities:				
Contributions to Archbishops' Council	-	365	-	365
Resourcing parish ministry	9,619	795	1,132	11,546
Education	224	-	160	384
Other	3	-	-	3
	9,959	1,160	1,292	12,411

	Activities directly undertaken	Grant funding of activities	Support costs	Total 2022
	£'000	£'000	£'000	£'000
Raising funds	126	-	-	126
Charitable activities:				
Contributions to Archbishops' Council	-	409	-	409
Resourcing parish ministry	9,625	1,128	1,360	12,113
Education	295	-	78	373
Other	6	-	-	6
	10,052	1,537	1,438	13,027

11 Analysis of support costs

	Restricted funds		Unrestricted funds		Total funds 2023	Total funds 2022
	Endowment funds	Other funds	Designated funds	Undesignated funds	£'000	£'000
	£'000	£'000	£'000	£'000	£'000	£'000
Support for Schools	-	160	-	-	160	78
Administration and premises	-	-	-	968	968	1,233
Synod and Diocesan Advisory Committee Support	-	-	-	11	11	10
Governance:						
Auditors – external audit	-	-	-	26	26	22
Auditors – other services	-	-	-	2	2	1
Registrar and Chancellor	-	-	-	125	125	94
TOTAL	-	160	-	1,132	1,292	1,438

NOTES TO THE ACCOUNTS

12 Analysis of grants made

	Number	Individuals	Institutions	Total 2023	Total 2022
		£'000	£'000	£'000	£'000
FROM UNRESTRICTED FUNDS FOR NATIONAL CHURCH RESPONSIBILITIES					
Archbishops' Council	5	-	365	365	409
FROM UNRESTRICTED / DESIGNATED FUNDS					
PCCs for mission	2	-	19	19	9
Ordinands in training	15	157	-	157	136
Resettlement and first appointment grants	74	169	-	169	122
Sundry clergy grants	87	29	44	73	62
TOTAL	178	355	63	418	329
FROM RESTRICTED FUNDS					
Malawi Partnership dioceses and projects	4	-	76	76	44
Hardship and Energy grants	5	-	28	28	481
PCCs for project workers (<i>Action in the City</i>)	-	-	-	-	5
PCCs for mission initiatives	7	-	159	159	147
Other Christian organisations for mission initiatives	2	-	78	78	64
Resettlement and first appointment grants	1	2	-	2	-
Sundry grants	24	7	3	10	5
Ordinands in training	15	24	-	24	53
TOTAL	58	33	344	377	799
TOTAL GRANTS PAYABLE	241	388	772	1,160	1,537

13 Staff costs

	2023	2022
	£'000	£'000
EMPLOYEE COSTS DURING THE YEAR (EXCLUDING CLERGY PAY)		
Wages and salaries	2,336	2,240
Social security costs	229	226
Pension costs	247	253
Pension costs – Church Workers Pension Scheme deficit contributions*	41	41
TOTAL	2,853	2,760
AVERAGE NUMBER OF PEOPLE EMPLOYED DURING THE YEAR		
	No.	No.
Parish mission support	39	36
Discipleship and Ministry support	8	8
Administration and financial management	11	11
Property	3	3
Education	5	4
TOTAL	66	62

* The deficit contributions paid in 2022 have been charged against the provision in [note 23](#).

The numbers of staff whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows:

	2023	2022
	Number	Number
In the band £70,000 – £80,000	1	3
In the band £80,000 – £90,000	2	-
In the band £90,000 – £100,000	1	1

The total amount of employer defined contribution pension contributions paid on behalf of these employees were £39,269 (2022: £34,786).

13 Staff costs (continued)

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

Diocesan Secretary	Jan Smart
Company Secretary	Jan Smart
Director of Finance	Karen Preece
Property Director	Daniel Mayes
HR Director	Ben Franks
Director of Education	Sarah Smith

Remuneration and pensions for these five FTE employees amounted to £435,186 (2022: £417,171 for five FTE employees)

None of the directors received any remuneration as directors. The BDBF in both 2023 and 2022 has an overarching insurance policy that includes trustees' indemnity insurance however the premium attributable to the trustees' indemnity insurance element is not separately identifiable.

The clergy and clergy stipends are not included within the BDBF's staff costs, as they are not employees of the BDBF. The BDBF is merely responsible for the central administration and payment of the stipends on behalf of the parishes. However, the BDBF paid an average of 131 (2022: 129) stipendiary clergy as office holders holding parish or diocesan appointments in the diocese, and the costs were as follows:

	2023	2022
	£'000	£'000
Stipends	3,902	3,676
National Insurance contributions	315	311
Apprenticeship Levy	17	17
Restructuring costs	45	71
Pension costs – current year	1,017	982
Pension costs – deficit funding provided	-	143
TOTAL	5,296	5,200

14 Net expenditure before transfers and other recognised gains / (losses)

	2023	2022
	£'000	£'000
NET EXPENDITURE IS STATED AFTER CHARGING:		
Depreciation – owned assets	42	51
Net gain on disposal of fixed assets	376	390
Auditor's remuneration – audit of financial statements	26	22
Auditor's remuneration – other services	2	1

15 Tangible fixed assets

	Freehold Properties (see analysis below)	Computer equipment	Office equipment	TOTAL
	£'000	£'000	£'000	£'000
COST / DEEMED COST OR VALUATION				
At 1 January 2023	23,425	234	167	23,826
Additions	581	11	14	606
Disposals	(762)	(104)	(4)	(870)
AT 31 DECEMBER 2023	23,244	141	177	23,562
ACCUMULATED DEPRECIATION				
At 1 January 2023	-	218	47	265
Charge for the year	-	13	29	42
Disposals	-	(104)	(4)	(108)
AT 31 DECEMBER 2023	-	127	72	199
NET BOOK VALUE				
AT 31 DECEMBER 2023	23,244	14	105	23,363
AT 31 DECEMBER 2022	23,425	16	120	23,561

All the above assets are used for charitable purposes.

NOTES TO THE ACCOUNTS

15 Tangible fixed assets (continued)

	2023 cost or deemed cost £'000	2022 cost or deemed cost £'000
FREEHOLD PROPERTIES		
ENDOWMENT FUNDS		
Benefice houses fund:		
Parsonage houses	18,316	17,831
Glebe funds:		
Housing of team vicars, curates and others	660	660
DESIGNATED FUNDS:		
Assets in course of construction	32	-
UNRESTRICTED FUNDS		
Corporate property:		
Housing of senior clergy, curates and others	1,469	1,031
Other corporate property	2,767	3,903
TOTAL FREEHOLD PROPERTIES	23,244	23,425

16 Investments held as fixed assets

	Glebe £'000	Endowment fund £'000	Unrestricted fund £'000	TOTAL £'000
A) INVESTMENT PROPERTIES				
At 1 January 2023	1,490	890	190	2,570
Revaluations	(51)	(90)	(30)	(171)
AT 31 DECEMBER 2023	1,439	800	160	2,399

Properties were valued by Bruton Knowles (Chartered Surveyors) on an open market existing use basis as at 31 December 2020. The BDBF's policy is to seek formal professional valuations of its investment properties every 5 years with trustee review in the intervening period. In light of the variations being experienced in the property markets over the year, the Trustees commissioned an external light-touch review of the portfolio as at 31 December 2023. The downward adjustment to the valuation of some specific properties is reflected in these accounts. The next formal professional review is due to be carried out as at 31 December 2025.

	1 January 2023 £'000	Sales £'000	Purchases £'000	Change in market value £'000	31 December 2023 £'000
B) OTHER FINANCIAL INVESTMENTS					
ENDOWMENT FUNDS					
Listed investments	4,168	(659)	588	144	4,241
Unlisted investments	536	-	-	33	569
	4,704	(659)	588	177	4,810
OTHER RESTRICTED FUNDS					
Listed investments	266	-	-	10	276
Unlisted investments	4,649	(41)	-	169	4,777
	4,915	(41)	-	179	5,053
UNRESTRICTED FUNDS					
Designated funds:					
Unlisted investments	33	-	-	2	35
Undesignated funds:					
Listed investments	1,138	(226)	221	50	1,183
Unlisted investments	1,728	(107)	-	(99)	1,522
	2,899	(333)	221	(47)	2,740
TOTAL	12,518	(1,033)	809	309	12,603

Unlisted investments consist of freely marketable shares in The Central Board of Finance Investment Fund and COIF administered by CCLA Fund Managers. The historic cost of listed investments as at 31 December 2023 was £4,821,000 (2022: £4,610,000) and £5,229,000 (2022: £5,388,000) for unlisted investments.

NOTES TO THE ACCOUNTS

17 Debtors

	2023	2022
	£'000	£'000
RECEIVABLE WITHIN ONE YEAR		
Parish loans (concessionary loans)	13	16
Other loans (concessionary loans)	-	2
Prepayments and other debtors	1,107	1,352
Accrued income	68	41
	1,188	1,411
RECEIVABLE AFTER ONE YEAR		
Parish loans (concessionary loans)	54	65
Other loans (concessionary loans)	-	3
Other debtors	531	597
	585	665
TOTAL DEBTORS	1,773	2,076

18 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Other loans – Church Commissioners (concessionary loan)	20	20
Other loans – anonymous loan for parish (concessionary loan)	40	-
Trade creditors	539	212
Other creditors	411	1,048
Accruals and deferred income	267	444
	1,277	1,724

Other loans (Church Commissioners) relate to advances from the Church Commissioners for house purchases and parish 'back to back' loans from the Central Board of Finance. The loans are variable interest loans at the rate of the Central Board of Finance (Church of England) Deposit Fund rate plus 0.55%. Other loans (anonymous loan) is interest-free.

19 Creditors: amounts falling due after more than one year

	2023	2022
	£'000	£'000
Other loans – Church Commissioners (concessionary loan)	10	30
	10	30

The maturity of the above loans may be analysed as follows:

	2023	2022
	£'000	£'000
Between one to two years	10	20
Between two to five years	-	10
	10	30

Other loans (Church Commissioners) relate to advances from the Church Commissioners for parish 'back to back' loans from the Central Board of Finance. The loans are variable interest loans at the rate of the Central Board of Finance (Church of England) Deposit Fund rate plus 0.55%.

NOTES TO THE ACCOUNTS

20 Analysis of assets and liabilities between funds

	Restricted funds		Unrestricted funds		Total funds 2023 £'000	Total funds 2022 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000		
TANGIBLE ASSETS						
Other fixed assets	18,976	7	32	4,348	23,363	23,561
INVESTMENTS - FIXED						
Investment properties	2,239	-	-	160	2,399	2,570
Other	4,810	5,053	35	2,705	12,603	12,518
DEBTORS						
Due within one year	45	517	(797)	1,423	1,188	1,411
Due after one year	-	54	-	531	585	665
Cash at bank	3,639	2,577	4,928	(4,327)	6,817	7,189
CREDITORS						
Due within one year	(2)	(743)	(9)	(523)	(1,277)	(1,724)
Due after one year	-	-	-	(10)	(10)	(30)
NET ASSETS	29,707	7,465	4,189	4,307	45,668	46,160

	Restricted funds		Unrestricted funds		Total funds 2022 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds	
	£'000	£'000	£'000	£'000	
TANGIBLE ASSETS					
Other fixed assets	18,473	13	-	5,075	23,561
INVESTMENTS - FIXED					
Investment properties	2,380	-	-	190	2,570
Other	4,704	4,915	33	2,866	12,518
DEBTORS					
Due within one year	-	558	(897)	1,750	1,411
Due after one year	-	65	-	600	665
Cash at bank	3,648	2,790	4,987	(4,236)	7,189
CREDITORS					
Due within one year	(2)	(1,065)	(11)	(646)	(1,724)
Due after one year	--	-	-	(30)	(30)
NET ASSETS	29,203	7,276	4,112	5,569	46,160

21 Movements in funds

	1 January 2023	Income	Expenditure	Transfers	Capital movements	31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUNDS						
Glebe Fund*	5,962	(1)	(7)	-	18	5,972
Birmingham Diocesan Endowment Fund*	5,112	(2)	(16)	-	(9)	5,085
Parsonage Houses Fund	17,813	279	-	208	-	18,300
Bishop Brown Legacy Endowment Fund	316	9	(2)	-	27	350
	29,203	285	(25)	208	36	29,707
OTHER RESTRICTED FUNDS						
Sites and Buildings Fund	976	2	-	-	-	978
Church Schools Fund	5,775	272	(212)	-	180	6,015
Action in the City Fund	24	1	-	-	(1)	24
Malawi Partnership Fund	361	60	(91)	-	(1)	329
St Luke's at Gas Street – Fabric Fund	29	-	-	-	-	29
Training for Ministry Fund	55	167	(136)	-	-	86
Strategic Ministry Fund – Curates training	-	419	-	(419)	-	-
Strategic Ministry Fund – Post first responsibility	-	33	-	(33)	-	-
Shaping the Future (1)	-	159	(265)	105	-	(1)
Empowering Disciples Fund	4	1	-	-	-	5
Historic England – Places of Worship Officer	-	24	(48)	24	-	-
People & Places Capacity Fund	(3)	13	(10)	-	-	-
People & Places Development Fund	(14)	769	(799)	-	-	(44)
Programme Management Fund	-	156	(156)	-	-	-
Church Planting (Shirley & Pype Hayes) Fund	-	125	(125)	-	-	-
Context Ministry & Church Planting Development Fund	1	239	(235)	-	-	5
Longbridge & Anglo-Catholic Mission	-	267	(269)	-	-	(2)
Safe Spaces Innovation Fun (1)	-	24	(25)	-	-	(1)
Coming Home Fund	-	47	(48)	-	-	(1)
WM Racial Justice Collaboration	-	15	(15)	-	-	-
St Martin's Sabbatical Grants	-	5	(5)	-	-	-
St Martin's Youth Grants	2	9	(2)	-	-	9
Giving Advisor Fund	-	25	(26)	1	-	-
Readers Fund	38	1	(6)	-	1	34
Hardship Fund	28	-	(28)	-	-	-
	7,276	2,833	(2,501)	(322)	179	7,465
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Pastoral Fund*	1,109	16	-	279	2	1,406
Growing Younger Fund (2)	229	-	-	(229)	-	-
Strategic Investment Fund	2,754	-	(96)	125	-	2,783
Communications Hub	20	-	(15)	(5)	-	-
UNDESIGNATED FUNDS						
General Fund*	5,569	8,647	(9,774)	(56)	(79)	4,307
	9,681	8,663	(9,885)	114	(77)	8,496
TOTAL	46,160	11,781	(12,411)	-	138	45,668

NOTES TO THE ACCOUNTS

21 Movements in funds (continued)

	1 January 2022	Income	Expenditure	Transfers	Capital movements	31 December 2022
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUNDS						
Glebe Fund*	6,183	-	(11)	-	(210)	5,962
Birmingham Diocesan Endowment Fund*	5,420	9	(17)	-	(300)	5,112
Parsonage Houses Fund	17,598	-	-	215	-	17,813
Bishop Brown Legacy Endowment Fund	347	9	(2)	-	(38)	316
	29,548	18	(30)	215	(548)	29,203
OTHER RESTRICTED FUNDS						
Sites and Buildings Fund	973	3	-	-	-	976
Church Schools Fund	6,265	240	(131)	-	(599)	5,775
Action in the City Fund	30	2	(5)	-	(3)	24
Malawi Partnership Fund	407	52	(57)	-	(41)	361
St Luke's at Gas Street – Fabric Fund	29	-	-	-	-	29
Training for Ministry Fund	58	271	(274)	-	-	55
Strategic Ministry Fund – Curates training	-	303	-	(303)	-	-
Shaping the Future (1)	-	213	(356)	143	-	-
Shaping the Future match (2)	1	1	(2)	-	-	-
Empowering Disciples Fund	6	-	(2)	-	-	4
Historic England – Places of Worship Officer	-	25	(50)	25	-	-
People & Places Capacity Fund	(2)	71	(72)	-	-	(3)
People & Places Development Fund	1	931	(946)	-	-	(14)
Programme Management Fund	-	48	(48)	-	-	-
Church Planting (Shirley & Pye Hayes) Fund	-	162	(162)	-	-	-
Context Ministry & Church Planting Development Fund	-	131	(130)	-	-	1
St Martin's Youth Grants	4	-	(2)	-	-	2
Giving Advisor Fund	7	34	(41)	-	-	-
Readers Fund	-	41	(3)	-	-	38
Hardship Fund	-	507	(479)	-	-	28
	7,779	3,035	(2,760)	(135)	(643)	7,276
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Pastoral Fund*	1,359	11	(40)	(215)	(6)	1,109
Pensions Reserve	(599)	-	140	160	299	-
Growing Younger Fund (2)	229	-	-	-	-	229
Strategic Investment Fund	2,617	-	(171)	308	-	2,754
Communications Hub	20	-	-	-	-	20
Sustainability Grant (Church Commissioners)	637	475	-	(1,112)	-	-
UNDESIGNATED FUNDS						
General Fund*	6,151	9,168	(10,166)	779	(363)	5,569
	10,414	9,654	(10,237)	(80)	(70)	9,681
TOTAL	47,741	12,707	(13,027)	-	(1,261)	46,160

The funds denoted with * include the following revaluation reserves:

	2023	2022
	£'000	£'000
WITHIN ENDOWMENT FUNDS		
Glebe Fund	994	1,045
Birmingham Diocesan Endowment Fund	9	99
	1,003	1,144
UNDESIGNATED FUNDS		
General Fund	1,032	1,062
TOTAL	2,035	2,206

21 Movements in funds (continued)

Details of the major funds are as follows:

Endowment Funds

Glebe Fund Under the terms of the Endowment and Glebe Measure 1976, all historic parish Glebe land holdings were transferred to the respective Diocesan Boards of Finance, which were required, in return, to ensure that all clergy within their Diocese received at least the agreed minimum stipend for the year. It represents glebe assets and the accumulated sale proceeds of glebe property. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice property. Besides glebe property, the funds may be invested in investments or cash held on deposit. All clear income derived from these investments is transferred to the General Fund as a contribution towards the cost of clergy stipends.

Birmingham Diocesan Endowment Fund This fund was also established under a scheme of the Charity Commissioners (dated September 1906), promoted by the Worcester Diocese, with the object of providing a permanent capital endowment, the income derived from which was to be available to the Diocesan trustees for the purpose of augmenting the incomes of clergy serving in the "poorer areas" of Birmingham. In 1963, the Charity Commissioners approved a variation to the scheme appointing the BDBF as joint trustees of the charity, together with the Birmingham Diocesan Trustees Registered. The objects were varied slightly by a Birmingham Commissioners Order dated August 1981, following the implementation of the Endowment and Glebe Measure, confirming that any clear income of the charity is to be applied in augmenting stipends of the clergy in the CofE Birmingham. Subsequent to the *Fresh Start* re-organisation of 1993, the BDBF transferred certain property and fiscal investments previously held in the General Fund into the Endowment Fund.

Bishop Brown Legacy Endowment Fund This fund was established from the estate of the late Bishop Brown (Bishop of Birmingham 1969-1977). His will gave a legacy to the BDBF to establish an endowment fund for the benefit of ordinands in training in the CofE Birmingham. The income derived from the capital endowment may be used to contribute to the maintenance grants of those in training.

Parsonages House Fund This fund represents the carrying value of all the benefice houses (parsonages) in the CofE Birmingham.

Restricted Funds

Sites and Buildings This fund was originally created under a scheme of the Charity Commissioners by the Worcester Diocese in November 1906, when Birmingham was first being established as an independent Diocese (Birmingham being formed mostly from parishes previously part of either the Diocese of Worcester or Lichfield). The objectives of that fund were to assist the proposed new Diocese in providing sites for and building new churches and mission rooms. The fund was absorbed into the Annual Reports of the CofE Birmingham during the years following the First World War and in 1951 the Charity Commissioners' consent was obtained to replacing individual trustees by the Birmingham Diocesan Board of Finance. This fund continues to be used to provide income for making grants to PCCs for the maintenance or extension of churches, and loans at reduced interest rates for new churches or (more usually) major repair projects.

Church Schools Fund This fund comprises the accumulated capital proceeds arising from the sale of closed Church Schools. Under section 86 of the 1944 Education Act (now section 554 of the 1996 Act), part or all of the proceeds arising on the sale of closed schools will have been directed to this fund under a Determination Order by the Secretary of State for Education. These proceeds in Birmingham are held under the terms of a Uniform Statutory Trust. The income deriving from the deposits and investments (mainly Common Investment Funds) is applied for the benefit of existing voluntary aided schools by way of grants and or loans for building projects and repairs.

Action in the City Fund This fund is the surplus funds raised by churches in the CofE Birmingham against the target set to create the endowment fund that set up the Church Urban Fund (CUF). CUF was set up in response to the *Faith in the City* report in the wake of the social unrest that manifested itself in the England's inner cities in the early 1980s. Its residual capital and income continue to be used to support parishes engaged in community regeneration activities.

The Malawi Partnership Fund This relates to monies raised by individuals and parishes across the Birmingham diocese to provide support to link dioceses and their parishes in Malawi.

Growing Younger Fund (1) This fund relates to our *Growing Younger* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to the restricted monies from Church Commissioners and other external funding sources.

St Luke's at Gas Street - Fabric Fund This fund is the specific donations raised to fund the building works at the Mission Resourcing Church at Retort House, Gas Street, Birmingham.

Shaping the Future Fund (1) This fund relates to our *Shaping the Future* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to the restricted monies from Church Commissioners.

Shaping the Future Fund (2) This fund relates to our *Shaping the Future* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to the restricted monies from other external funding sources.

Training for Ministry Fund This fund relates to the Resourcing Ministerial Education Block Grant that the BDBF receives from Archbishop's Council to fund training costs of ordinands.

Strategic Ministry Fund - Curates Training This fund relates to funding received from Archbishop's Council to support the training of additional curates.

Strategic Ministry Fund - Post of First Responsibility This fund relates to funding received from Archbishop's Council to support the stipend and housing costs of a first time incumbent in a parish that would not otherwise have warranted a full-time post.

Empowering Disciples Fund This fund relates to donations collected at the annual ordination service which is then available to make small grants to further vocations and discipleship.

Historic England - Places of Worship Officer Fund This fund relates to match funding provided by Historic England towards our Places of Worship Support Officer.

People & Places Capacity Fund This relates to our *People & Places* Strategic framework which is part funded by a Strategic Capacity Funding grant from the Church Commissioners, with match funding from a Church Commissioners Strategic Development Funding grant and our own resources. This fund relates to the restricted Strategic Capacity Funding monies from Church Commissioners.

People & Places Development Fund This relates to our *People & Places* Strategic framework which is part funded by a Strategic Development Funding grant from the Church Commissioners, with match funding from a Church Commissioners Strategic Capacity Funding grant and our own resources. This fund relates to the restricted Strategic Development Funding monies from Church Commissioners.

Programme Management Fund This relates to a grant from the Church Commissioners to support the project management team who support the delivery of our active projects.

Church Planting (Shirley & Pye Hayes) Fund This relates to a Strategic Development Funding grant from the Church Commissioners to support the establishment of new church plants (and related infrastructure) within the CofE Birmingham in the specific areas of Shirley and Pye Hayes.

Context Ministry & Church Planting Fund This relates to a Strategic Development Funding grant from the Church Commissioners to support the development of our strategic approach to context ministry and church planting within the diocese as part of our wider transformational vision for the CofE Birmingham.

Longbridge & Anglo-Catholic Mission Fund This relates to a Strategic Development Funding grant from the Church Commissioners to support the development of a new church (including a community centre) in Longbridge and a project to develop our strategic approach to anglo-catholic ministry across the diocese as part of our wider transformational vision for the CofE Birmingham.

NOTES TO THE ACCOUNTS

21 Movements in funds (continued)

Safe Spaces Innovation Fund This relates to an Innovation grant from the Church Commissioners to support the development of a safe spaces for young people as part of our Community Regeneration work.

Coming Home Fund This relates to funding received from Gloucester Diocesan Board of Finance to support the early stages of plans to develop affordable housing on sites owned by the diocese.

WM Racial Justice Collaboration Fund This relates to initial funding from the dioceses of Lichfield, Hereford, Coventry, Worcester and Gloucester to develop a joint funding bid to the Racial Justice Unit of the Church Commissioners for a collaborative programme to promote racial justice across Birmingham and the other five dioceses.

St Martin's Sabbatical Grant Fund This relates to funding received from St Martin's Trust to enable us to make small grants to clergy sabbatical costs.

St Martin's Youth Grant Fund This relates to funding received from St Martin's Trust to enable us to make small grants to support youth projects across the diocese.

Giving Advisor Fund This relates to a grant from the Church Commissioners to support the roll-out of the National Giving Strategy over five years starting in 2021. This programme funds a Giving advisor who works with individual parishes to develop parish-focussed approaches to giving including the facilitation of contactless giving.

Readers Fund This relates to the funds previously held independently by the Birmingham Readers Council. This was transferred to the BDBF for administrative simplification in 2022. The fund provides additional support to Readers in their ministry.

Hardship Fund This relates to funding received from the Church Commissioners for distribution to parishes and clergy across the diocese as a response to the energy cost crisis. All funds are expected to be expended by 31 March 2023.

Unrestricted funds

Pastoral Fund The diocesan pastoral fund represents the proceeds of redundant churches. The funds may be used for the acquisition and development of parsonages and other clergy houses and the provision, restoration, improvement and repair of churches once the legal obligations for redundant church buildings vested in the BDBF for disposal are met. When these funds have been used to purchase or improve property this has been charged to the Pastoral Fund in the year of expenditure. Proceeds of sale have been credited as income in the year of receipt. Where the BDBF has used the funds to purchase or improve properties in its corporate capacity, these have been included as fixed assets in these financial statements.

Details of inter fund transfers in 2023 are as follows:

	Unrestricted general	Unrestricted designated	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000	£'000
General Fund to Strategic Ministry Fund Curates Fund ①	419	-	(419)	-	-
General Fund to Strategic Ministry – Post First Responsibility Fund ①	33	-	(33)	-	-
General Fund to Historic England – Places of Worship Officer Fund ②	(24)	-	24	-	-
General Fund to Giving Facilitator Fund ②	(1)	-	1	-	-
Strategic Investment Fund to Shaping the Future Fund ②	-	(105)	105	-	-
General Fund to Strategic Investment Fund ③	(799)	799	-	-	-
General Fund to Pastoral Fund ④	(487)	-	-	487	-
Parsonage Houses Fund to Pastoral Fund ⑤	-	279	-	(279)	-
Communications Hub Fund to General Fund ⑥	5	(5)	-	-	-
Strategic Investment Fund to General Fund ⑦	798	(798)	-	-	-
TOTAL	(56)	170	(322)	208	-

① Transfer of costs from unrestricted funds to restricted funds in respect of Strategic Ministry funding (Curates and Post First Responsibility).

② This represents the transfer of unrestricted and designated funds to cover restricted costs not covered by grant receivable.

③ These represent the transfer of property disposal proceeds to the Strategic Investment Fund to fund intentional strategic mission investments.

Pension Reserve This represents a designated or 'earmarked' fund in respect of possible BDBF obligations in respect of pension scheme arrangements.

Growing Younger Fund (2) This fund relates to our Growing Younger strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to our own resources that we have designated towards the programme.

Strategic Investment Fund This is a designated fund that has been created using proceeds from unrestricted property disposals. The fund will be used for intentional strategic mission investments such as further implementation of context ministry and match funding for our Church Commissioners grant funded *Shaping the Future* and *People & Places* strategic programmes.

During 2020 as part of our response to the COVID-19 pandemic, Bishop's Council agreed a proposal to release back to general unrestricted funds from the Strategic Investment Fund such monies as were necessary to deliver a balanced budget on unrestricted activities. The receipt of Sustainability Grant funding from Archbishops' Council in 2020 and 2022 meant that such a transfer was not necessary in either 2020, 2021 or 2022, although the proposal was ratified again in respect of the 2023 (and 2024) unrestricted activities budget.

Communications Hub This is a designated fund to create a communications hub within the BDBF offices to enable us to bring the production of new film and sound media in house to support our communications strategy. The funds were identified from an unrestricted legacy received during 2021. The project was completed during 2023 and the balance of funds was released back to the General Fund at the end of 2023.

Sustainability Grant Fund This fund relates to Sustainability Grants received from Archbishops' Council in 2020 and 2022 to enable the BDBF to bridge the gap in their unrestricted budget as a result of the COVID-19 pandemic. There are no specific restrictions attached to this funding other than the general stated purpose of bridging any unrestricted financial gap arising as a result of the COVID-19 pandemic. Archbishops' Council permitted the diocese to hold over any funds granted in 2020 but not used in 2020 or 2021 for the same purpose in 2022. New Sustainability Grants awarded in 2022 must be utilised in 2022. All of the available funds were utilised in 2022.

General Fund The general fund is the BDBF's unrestricted, undesignated fund available for any of the Board's purposes without restriction.

④ This represents the transfer of new parsonage purchased using Pastoral Fund monies.

⑤ This represents the transfer of a parsonage on sale pending the construction of a new parsonage.

⑥ This represents the release of the unused balance of the designated Communications Hub Fund following completion of the project.

⑦ This represents the use of the Strategic Investment Fund to cover shortfall in unrestricted funds.

Details of inter fund transfers in 2022 were as follows:

	Unrestricted general	Unrestricted designated	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000	£'000
General Fund to Strategic Ministry Fund Curates Fund ①	303	-	(303)	-	-
General Fund to Historic England – Places of Worship Officer Fund ②	(25)	-	25	-	-
General Fund to Strategic Investment Fund ③	(451)	451	-	-	-
Strategic Investment Fund to Shaping the Future Fund ④	-	(143)	143	-	-
Pastoral Fund to Parsonage Houses Fund ⑤	-	(215)	-	215	-
General Fund to Pension Fund ⑥	(160)	160	-	-	-
CC Sustainability Fund to General Fund ⑥	1,112	(1,112)	-	-	-
TOTAL	779	(859)	(135)	215	-

① Transfer of curates' costs from unrestricted funds to restricted fund in respect of Strategic Ministry funding.

② This represents the transfer of unrestricted funds to cover restricted costs not covered by grant receivable.

③ These represent the transfer of property disposal proceeds to the Strategic Investment Fund to fund

intentional strategic mission investments.

④ This represents the transfer of new parsonage built using Pastoral Fund monies.

⑤ This represents the release of the pension fund deficit provision following Scheme Triennial valuations.

⑥ This represents the use of the Sustainability Fund to cover shortfall in unrestricted funds.

22 Commitments

At 31 December 2023 the BDBF had £nil of capital commitments which were contracted for but not provided in the financial statements (2022: £nil).

The BDBF has parish loan facilities amounting to £nil approved during the year which have not been drawn down by the parishes concerned as at 31 December 2023 (2022: £105,000).

23 Pension costs

Employees – Church Workers Pension Fund

The BDBF participates in the Church Workers Pension Fund (CWPF) for lay staff. The Fund is administered by the Church of England Pensions Board, which holds the assets of the fund separately from those of the employer.

The CWPF has two sections:

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

Defined Benefits Scheme

The Defined Benefits section (DBS) of the CWPF provides benefits to lay employees based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post retirement investment returns. The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. This does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year include contributions payable towards benefits and expenses accrued in that year (2023: £nil, 2022: £7,200), plus any impact of deficit contributions payable, giving a total charge of £nil for 2023 (2022: £48,632).

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

settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recently finalised valuation was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £11.3m. The next actuarial valuation is due at 31 December 2022. The calculations for this are under way.

Following the 2019 valuation, the BDBF has entered into an agreement with the CWPF to pay expenses of £7,200 per year. In addition, deficit payments of £41,432 per year were agreed for seven years from 1 April 2021 in respect of the shortfall in the Employer sub-pool.

Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2022 and 2023. A liability has been recognised at earlier dates.

The movement in the provision is set out below:

	2023	2022
	£'000	£'000
Balance sheet liability at 1 January	-	245
Deficit contributions paid	-	(41)
Interest cost	-	3
Remaining change to the balance sheet liability*	-	(207)
BALANCE SHEET LIABILITY AS AT 31 DECEMBER	-	-

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

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

	31 December 2023	n/a
Discount rate	31 December 2022	0.0% pa
	31 December 2021	1.50% pa

NOTES TO THE ACCOUNTS

23 Pension costs (continued)

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

Pension Builder Scheme

With effect from April 2012, it was agreed to make all future non-clergy pension arrangements through the Pension Builder section (PBS) of the CWPF.

For eligible salaried employees who commenced employment after 1 January 2006 the BDBF participates in the PBS, the assets of which are held separately from those of the BDBF and the other participating employers.

Both sections of the PBS are classed as defined benefit schemes. The BDBF contributes to the Pension Builder Classic section. The Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment, based on terms set and reviewed by the Church of England Pensions Board from time to time. Pension contributions are recorded in an account for each member. Discretionary increases may also be added, depending on investment returns and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age. There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are the contributions payable (2023: £271,918 (2022: £246,163)).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2019. This revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review as at 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time. The next valuation is due as at 31 December 2022. Calculations for this are currently under way.

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

The BDBF also contributes to a Group Personal Pension Plan organised by Friends Life for certain employees. This is a defined contribution, money purchase arrangement. The pension cost for the year shown in the financial statements is equal to the total contributions. The total contributions for the year were £324 (2022: £311).

Stipendiary Clergy

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Bodies and this means that contributions are accounted for as if the Scheme

were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2023: £1,017,000, 2022: £1,033,000), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2022: £143,000).

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 adjustments from 2030 onwards
- Increase in pensionable stipends in line with CPIH, and
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CIMI2020 extended model projections, 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 and an allowance for 2020 data of 0% (i.e. w2020=0%)

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

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

	% of pensionable stipends*
31 December 2023	nil
31 December 2022	7.1% (January–March) 3.2% (April–December)
31 December 2021	7.1%

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

Section 28.11A of FRS102 requires the agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 and 2023 is nil. The movement in the balance sheet liability over 2023 and 2022 is set out in the table below:

	2023	2022
	£'000	£'000
Balance sheet liability at 1 January	-	235
Deficit contributions paid	-	(143)
Interest cost	-	-
Remaining change to the balance sheet liability (recognised in the SoFA)*	-	(92)
BALANCE SHEET LIABILITY AS AT 31 DECEMBER	-	-

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2023 or 2022 as there are no agreed deficit recovery payments going forward.

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

No price inflation assumption was needed for December 2021, since pensionable stipends for the remainder of the recovery plan were already known.

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

24 Commitments under operating leases

At 31 December 2023 the charity was committed to making the following payments under non-cancellable operating leases:

	Land and buildings 2023 £'000	Land and buildings 2022 £'000
OPERATING LEASES WHICH EXPIRE		
Within one year	226	226
Within one to two years	226	226
Within two to five years	678	678
More than five years	791	1,017
	1,921	2,147

25 Reconciliation of net expenditure to net cashflow from operating activities

	2023 £'000	2022 £'000
NET (EXPENDITURE) / INCOME FOR THE YEAR ENDED 31 DECEMBER		
Depreciation charges	(492)	(1,880)
Dividends, interest and rent from investments	(66)	51
Interest payable on loans	(733)	(637)
Interest on clergy pensions liability	3	1
(Profit) on sale of fixed assets	-	3
Loss on sale of investments	(376)	(390)
Decrease / (increase) in debtors	4	3
(Decrease) in creditors	322	(405)
Change in fair value of investments	(487)	(30)
	(138)	1,560
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	(1,963)	(1,724)

26 Analysis of cash and cash equivalents

	At 1 January 2023 £'000	Cash flow £'000	At 31 December 2023 £'000
Cash in hand and at bank	1,960	(510)	1,450
Cash held on deposit	5,229	138	5,367
	7,189	(372)	6,817

Cash held on deposit requires notice of less than three months to access.

NOTES TO THE ACCOUNTS

27 Analysis of changes in net debt

	At 1 January 2023	Cash flow	Other non-cash changes	At 31 December 2023
	£'000	£'000	£'000	£'000
Cash in hand and at bank	1,960	(510)	-	1,450
Cash equivalents	5,229	138	-	5,367
Loans falling due within one year	(20)	(40)	-	(60)
Loans falling due after more than one year	(30)	20	-	(10)
	7,139	(392)	-	6,747

28 Related party transactions

No trustee received any remuneration for services as a director. The trustees in their role as trustees received travelling and out of pocket expenses totalling £nil (2022: £nil). Four trustees received travelling and out of pocket expenses (2022: 3) totalling £4,491 (2022: £4,958) in respect of duties as archdeacon or area/women's dean. These amounts are in line with the BDBF usual practice and are not in relation to their roles as trustees.

The BDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The BDBF is also responsible for the provision of housing for stipendiary clergy in the diocese, including suffragan bishops but excluding diocesan bishop and cathedral staff. The following table gives details of the trustees who were in receipt of a stipend and housing provided by the BDBF during the year:

	Stipend	Housing
The Bishop of Aston	No	Yes
The Archdeacon of Birmingham	Yes	Yes
The Revd Toby Crowe	Yes	Yes
The Revd Sarah Hayes	Yes	Yes
The Revd Geoff Lanham	Yes	Yes
The Revd Canon Louise Shaw	Yes	Yes
The Revd Canon Bamidele Sotonwa	Yes	Yes
The Revd Canon Rebecca Stephens	Yes	Yes
The Revd Jeremy Allcock	Yes	Yes
The Revd Canon Catherine Grylls	Yes	Yes

The stipend of the Suffragan Bishop was funded by the Church Commissioners. The annual rate of stipend funded by the BDBF, paid to Archdeacons in 2023 was £40,924 (2022: £38,975) and for other clergy who were trustees the diocesan stipend rate was £29,615 (2022: £28,204).

The Cathedral shared office space with the BDBF in the year ended 31 December 2023 and an amount of £2,250 was payable for this space (2022: £2,408).

The Cathedral paid Common Fund of £49,735 to the BDBF for the year ended 31 December 2023 (2022: £49,735).

The Birmingham Diocesan Multi-Academy Trust ('the Trust') shared office space with the BDBF for the year ended 31 December 2022 for an amount of £9,630. During 2023, the Trust also purchased at cost the services of the Diocesan Board of Education School Improvement Officer, the Church School Distinctiveness Adviser and the Education Support Manager for clerking duties at a cost of £2,926 (2022: £3,900). The BDBF contributed £3,000 (2022: £3,000) towards the office costs of *Thrive Together Birmingham*, the Church Urban Fund joint venture with the Bishop of Birmingham and BDBF.

Five clergy trustees received continuing ministerial development grants to support study and development needs and resettlement and removal grants totalling £6,152 (2022: £1,699 for four clergy trustees) during the year ended 31 December 2023. These grants were unconnected with their role as BDBF trustees.

For the purposes of this disclosure note transactions with parochial church councils where there may be a relationship between members of Bishop's Council as they are trustees of these bodies, have not been included.

29 Funds administered as agent

	2023	2022
	£'000	£'000
Government grants received in respect of school capital projects	801	796
Contributions from Church School governors for school capital projects	134	62
Total received in	935	858
Amounts paid out on school capital projects	(1,642)	(724)
NET POSITION FOR THE YEAR	(707)	134

The Board of Education (as incorporated within the Diocesan Board of Finance) receives contributions from governors of church schools in 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 the 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 incoming resources or resources expended in the Statement of Financial Activities. Any monies held or due at the balance sheet date are recognised within the balance sheet and contained within the Church School Fund.

The BDBF held and managed parsonage decoration funds on behalf of its parishes during the year ended 31 December 2023. The monies do not belong to the BDBF and as such the receipts and payments into and out of the funds are not treated as incoming resources or resources expended in the Statement of Financial Activities. Any monies held at the balance sheet date are recognised within the balance sheet as a creditor. The funds as at 31 December 2022 stood at £108,156. The scheme was closed during the year and all monies held were returned the parishes involved.

30 Prior year comparative statement of financial activities





		Restricted funds		Unrestricted funds		
		Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2022
	Note	£'000	£'000	£'000	£'000	£'000
INCOME						
INCOME AND ENDOWMENTS FROM						
Donations:	2					
Parish contributions		-	25	-	4,807	4,832
Archbishops' Council		-	2,163	475	1,997	4,635
Other donations		-	587	-	722	1,309
Charitable activities	3	-	62	-	319	381
Other trading activities	4	-	2	-	522	524
Investments	5	18	196	11	409	634
Other income	6	-	-	-	392	392
TOTAL INCOME		18	3,035	486	9,168	12,707
EXPENDITURE ON						
Raising funds	7	28	-	-	98	126
Charitable activities	8	2	2,760	68	10,065	12,895
Other	9	-	-	3	3	6
TOTAL EXPENDITURE		30	2,760	71	10,166	13,027
Net (expenditure) / income before investment gains and losses		(12)	275	415	(998)	(320)
Net (losses) / gains on investments		(548)	(643)	(6)	(363)	(1,560)
NET (EXPENDITURE) / INCOME		(560)	(368)	409	(1,361)	(1,880)
Transfers between funds						
Transfers between funds	21	215	(135)	(859)	779	-
Other recognised gains	23	-	-	299	-	299
NET MOVEMENT IN FUNDS		(345)	(503)	(151)	(582)	(1,581)
Total funds brought forward						
Total funds brought forward	21	29,548	7,779	4,263	6,151	47,741
TOTAL FUNDS CARRIED FORWARD	21	29,203	7,276	4,112	5,569	46,160

Transfers between funds




For analysis of transfers between funds, see note 21. All activities derived from continuing operations.



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