



**Liverpool Diocesan Board of Finance**

# **REPORT AND ACCOUNTS**

**For the year ended 31 December 2023**



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## CHAIR'S REPORT

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### Chair's Report

I am pleased to introduce the Report of the Trustees and the Financial Accounts for the Liverpool Diocesan Board of Finance (LDBF) for the year ending 31 December 2023.

My report on the 2022 year began with a reflection on the impact of Covid-19 during 2021 and went on to highlight the resulting impact on church life as we sought to establish what 'normal' was in a post-pandemic context, returning to in person attendance at worship and other church activities. It was quickly evident that some worshipping communities had fared better than others in terms of the proportion of members returning, recovery of giving and willingness to be both present and participating. We were grateful for the support from the National Church Institutions which was passed through to parishes and relieved the immediate financial pressure and so we approached 2023.

As I indicated in my 2022 report, recovery in parishes was hard work. The passage of time has shown that in some churches attendance has recovered and there is now growth, some have held on but are not growing and others have not seen a return to their pre-Covid-19 levels of attendance. For most parishes, even those whose attendance is growing, finance remains a challenge.

It was in this context that the Diocesan Synod set a budget for 2023 anticipating a small surplus of £11,408. The budget reflected the increased costs of ministry in our parishes and schools and an increase in parish share which was fully mitigated by Parish Share Credit. Against this budget our in-year operating performance showed a loss of £61,000. Three main factors, all related to income, contributed to that loss. The main one was a shortfall in parish share receipts of £561,000, thankfully this was fully mitigated by a further grant from the National Church for which we are very grateful. The other two factors were a shortfall in budgeted income from investments of £41,000 and a reduction in grant income of £30,000.

Aware of the need to establish a more financially stable and sustainable future for our diocese, 2024 has been a year of radical reflecting and planning for the 2025-31. We have engaged with the national church in that planning process. It has taken time but has been creative and positive and I would like to express my thanks for the external support we have had from the National Church Institutions over recent months. If we can secure a successful outcome we will be in a position to deliver the necessary actions and to look forward creatively and from a firm base over the coming six years.

Finally, I would like to thank the staff at St James' House, the parishes and the clergy of the diocese for their ongoing commitment and support and to thank those who serve on the Finance Committee for their committed stewardship of the work in the diocese over the last year.



**Maggie Swinson**

Chair

31 October 2024

## TRUSTEES' REPORT

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### **TRUSTEES' ANNUAL REPORT AND DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **I. REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Legal structure**

Liverpool Diocesan Board of Finance is a multi-faceted structure. It is:

- ♦ A registered charity (no. 249740)
- ♦ A company limited by guarantee (no. 18301)
- ♦ A Board of Finance established under the Diocesan Boards of Finance Measure 1925
- ♦ A trust corporation.

Its registered office is St James' House, 20 St James Road, Liverpool L1 7BY.

The governing body of the diocese is the Diocesan Synod whose members are also members of the Diocesan Board of Finance. Although the work of the Finance Committee is the sole responsibility of those elected to serve on it, all its business is conducted under the authority of the Diocesan Bishop who presides over all the affairs of the diocese.

##### **Trustees**

The financial executive of the Diocesan Synod is the Finance Committee. The members of the Finance Committee are the directors of the company and trustees of the charity. Through a combination of elected, ex officio, and co-opted posts our constitution enables us to achieve an appropriate balance between clergy and lay people.

Elections to the Finance Committee take place every three years. There were elections in November 2021 for the current Finance Committee which runs from 1 January 2022 to 31 December 2024. The trustees who served in 2023 were:

Maggie Swinson, Chair (ex officio)

Philip Stott, Deputy Chair

The Right Reverend Beverley Mason, Bishop of Warrington (ex-officio)

The Venerable Pete Spiers, Archdeacon of Knowsley & Sefton (ex officio)

The Venerable Simon Fisher, Archdeacon of St Helens & Warrington (ex officio)

The Ven Dr Miranda Threlfall-Holmes, Archdeacon of Liverpool (ex officio)

The Ven Mike McGurk (ex officio, resigned on 31.01.2023)

Keith Cawdron (elected)

Gabriel Chiu (elected)

Richard Denno (elected)

Stephen Derringer (elected)

Rev Peter Dawkin (elected)

Angela Matthewson (elected)

Rev Emma Williams (elected)

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### Senior staff

The Chief Officer for the charity is the Diocesan Secretary, Mike Eastwood. The senior management team, to whom day to day management of the charity is delegated by the trustees, are:

Mike Eastwood, Diocesan Secretary

Stuart Haynes, Assistant Diocesan Secretary & Director of Communications

Debbie Brisco, HR Manager

Matt Elliott, Director of Finance

Stuart Harrison, Director of Education

Ellen Loudon, Director of Social Justice

Suzanne Matthews, Director of Vocations

Steve Pierce, Director of Learning & Stewardship

Richard Gedge – Diocesan Programme Manager

### Bankers and professional advisers

#### Auditors

Mitchell Charlesworth (Audit) Limited, Suite 5.1, 12 Tithebarn Street, Liverpool, L2 2DT

#### Bankers

Lloyds Bank plc, Church Street, Liverpool, L1 3HD

#### Investment managers

CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

#### Diocesan Registrar

Howard Dellar of Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London SW1P 3JT

#### Solicitors

Hill Dickinson LLP, No. 1 St Paul's Square, Liverpool L3 9SJ

## 2. STRUCTURE, GOVERNANCE AND MANAGEMENT

### Constitution and objects

The structure governing the work of the charity is complex reflecting the idiosyncrasies of the Church of England. On the one hand, the charity is fairly straightforwardly registered as a charity and a company with appropriate memorandum and articles of association (last modified in March 2010). On the other hand, there are a number of inter-connected relationships and influences directly impacting on the work of the charity (see below).

### Trustees

The Finance Committee is the trustee board. It has a mixture of ex-officio and elected members. Elections take place every three years at the first meeting of the new Diocesan Synod (itself elected every three years). The most recent set of elections were in November 2021, with all newly elected members of the Finance Committee serving from 1 January 2022. The trustees have the power to co-opt members according to their assessment of possible imbalances or skills gaps

## TRUSTEES' REPORT

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among the elected and co-opted members. Given the relatively large number of elected and ex-officio trustees the general approach has been to keep co-options to a minimum (currently there are no co-opted trustees).

All trustees receive an induction pack, and the first meeting of each triennium is largely given over to induction briefings and discussions. Training opportunities are offered, especially around investment issues.

### **Organisational structure and decision-making**

The Finance Committee is the financial executive of the Diocesan Synod and is required to comply with certain directions given to it by that Synod. It holds the budgets and accounts for all committees of the DBF and all activities undertaken by DBF staff and officers. It also needs to work very closely with Bishop's Council as the standing committee of Diocesan Synod. This requires an understanding of the aims and aspirations of those bodies and a desire to see them fulfilled alongside a deep regard for the need for good and appropriate governance of the charity. In recent years there hasn't been a particular conflict between these bodies, nor is one anticipated; however, the potential is always there.

The Finance Committee functions as the Parsonages Board of the diocese for purposes of parsonages legislation, although it delegates the oversight of DBF housing management to the Clergy Housing Committee. It has subcommittees dealing with audit, remuneration of DBF staff, and the management of the DBF property and investments.

The Diocesan Board of Education is integrated into the Diocesan Board of Finance both legally and practically. On 16 June 2022 the Diocesan Board of Education formally became a Statutory Committee of the Diocesan Board of Finance under Section 23(1) of the Diocesan Boards of Education Measure 2021. This integration helps organisational cohesiveness and inter-departmental working.

Trustees are fully aware of their responsibilities under charity law. Within this the day-to-day running of the charity is delegated to senior staff. However, trustees and senior staff are clear that all decisions on policy that may create significant financial or other risk to the company, or which affect material issues of principle must be taken by trustees and not staff.

### **Networks and key relationships**

The charity has a multiplicity of relationships. The main ones are with:

- ♦ Diocesan Synod as the Board of Finance and governing body of the diocese
- ♦ Bishop's Council as the standing committee of Diocesan Synod
- ♦ The Diocesan Oversight Team and Appointments & Wellbeing Committee, where decisions are taken about strategy and the deployment of clergy
- ♦ Other diocesan committees, especially the Diocesan Mission & Pastoral Committee and Board of Education
- ♦ Deanery Synods and Deanery Mission & Pastoral Committees, where local mission plans are decided, and their pastoral implications worked through
- ♦ Parishes within the diocese with whom we are intimately connected both in supporting local mission and ministry and in financing the Diocesan Board of Finance
- ♦ Church schools in the diocese to whom we offer support and guidance over a range of appointment, curriculum, governance and building matters
- ♦ Liverpool Cathedral, on whose campus we are located and with whom there is now an established pattern of integrated working

## TRUSTEES' REPORT

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- ♦ Other dioceses, especially in the North West of England, with whom we have close collaborations and provide services, especially to schools
- ♦ Providers of pre-ordination and Reader training, particularly Emmanuel Theological College and also the residential theological colleges
- ♦ The national church institutions (Archbishops' Council, Church Commissioners, and the Pensions Board) from whom we receive significant funding, policy directives and legal consents to transactions.
- ♦ Other Christian denominations with and through whom we work on matters of workplace chaplaincy, safeguarding and ecumenical relations notably through Churches Together in the Merseyside Region and Mission in the Economy
- ♦ Interfaith bodies, such as Merseyside Council of Faiths and Liverpool Community Spirit, as part of our cross-community work to promote good interfaith relations
- ♦ Key infrastructural bodies on Greater Merseyside (notably VS6, volunteer centres and councils for voluntary service) on which we represent ecumenical partners and lead on provision in rural areas.
- ♦ Liverpool Diocesan Council for Social Aid whose key roles are running Adelaide House Women's Bail Hostel and working on penal affairs and social inclusion

In 2017 the Diocese established the Liverpool Diocesan Schools Trust as multi-academy trust as part of its on-going engagement with the academisation agenda. This sits alongside the Liverpool Diocesan Educational Trust which was established in 2012 to enhance links with church school academies. DBE Services Ltd continued trading, as did Emmanuel Theological College. DBE Services Ltd is an inter-diocesan company for the dioceses of Liverpool, Blackburn, Carlisle, Chester, Manchester, and York, providing property and other services to schools. Emmanuel Theological College (ETC) was formed in April 2021 out of the former All Saints Centre for Mission & Ministry. The Diocese of Liverpool is one of four member bodies. We also maintained our joint venture with the Church Urban Fund entitled Together Liverpool which seeks to support and resource parishes as they seek to serve their wider community. In 2018 we established the Good Funerals Company to help re-imagine the way in which we engage with bereavement ministry.

The single most important relationship we have continues to be with the clergy and lay people within the churches in our diocese whose ministry is the heartbeat of the diocese. We currently have c 170 serving parish and cathedral-based stipendiary clergy, around 60 self-supporting and ordained local clergy, 30 Local Missional Leaders, 200 readers and over 100 active retired clergy. We have c. 20 clergy serving full-time as chaplains in schools, hospitals, universities, and prisons plus others serving in a part-time capacity.

### **Public benefit**

The trustees are aware of the Charity Commission's guidance on public benefit in The Advancement of Religion for the Public Benefit and have had regard to it in their administration of the Board. We believe that by promoting the work of the Church of England in the Diocese of Liverpool we help to promote the whole mission of the Church (pastoral, evangelistic, social, and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that this provides a benefit to the public by:

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

More information on these benefits follows throughout this report.



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### 3. OBJECTIVES AND ACTIVITIES

The principal object of the charity is to further the interests of the Church of England, mainly, but not exclusively, in the area covered by the Diocese of Liverpool. For many years we have been working to achieve growth in our diocese. We have used different ways to express this, but the aim and direction of travel has remained the same – consistent with the whole of the Church of England. Our vision and strategy is to ask God for a bigger church so we can make a bigger difference so that there are more people knowing Jesus and more justice in the world.

In 2021, as part of our Fit for Mission work (see below), we refined this into 4 priorities:

- i. Introducing people to Jesus
- ii. Deepening discipleship
- iii. Developing Christian leaders
- iv. Working for justice

The new Bishop of Liverpool, Bishop John, arrived in April 2023. He has clearly affirmed this missional direction. The challenge is to embed it in hearts and minds across the diocese.

The Finance Committee is aware that a diocese succeeds through the mission and ministry of its parishes and its bishops. Through striving for the highest standards of financial management, the Finance Committee aims to create the conditions in which their mission and ministry can flourish and be maximised.

It interprets its role broadly, contributing to the strategic leadership of the diocese, balancing careful stewardship with a flexible and proactive approach, a body that enables, not inhibits. It sees itself as a servant of Synod and Bishop's Council, primarily through exercising good financial governance.

The Finance Committee is working towards the following organisational outcomes:

1. A sustainable financial resource to support agreed mission and ministry in the Diocese of Liverpool
2. A talented and high performing team at St James' House serving the mission and ministries of the parishes and bishops and delivering on the aspirations of the diocesan strategy
3. A well-run charity which meets the highest standards in governance, management, and operational efficiency.

Our main activities can be summarised as:

- ♦ The development and implementation of mission and church growth strategies
- ♦ The provision of advisory services to bishops, archdeacons, parishes, schools, chaplaincies, fresh expressions, and church bodies (mainly through employed staff)
- ♦ The support, training, payment, and housing of clergy
- ♦ The support and training of lay people
- ♦ The management and development of staff members
- ♦ Contributing to the national work of the Church of England

For more detail on individual activities see section 4 (I), "Achievements and performance". For information on our strategic thinking into the future please see section 4 (III), "Future plans".

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### **Grant-making policy**

No political contributions were paid during the year. Charitable contributions have been made as part of the Board's objectives. The main grants are as follows:

***Mission in the Economy*** – £35,000 (2022 -£35,000) to support mission and chaplaincy in the world of work.

***Churches Together in the Merseyside Region*** – £8,284 (2022 - £8,284) to support initiatives with ecumenical partners  
**Volunteers**

The diocese continues, quite rightly, to be dependent on the huge number of people involved in church activities both locally and at diocesan level. Surveys suggest that faith communities in general and Anglican churches in particular are major contributors to their community through an enormous number of voluntary activities. This is one of the surest signs that our faith makes a difference to our lives and our outlook; we ignore and neglect this at our absolute peril.

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. After Covid restrictions were lifted and as churches re-started in person worship and community activity, we have noted that not all volunteers have come back – possibly as many as 20% of our active volunteers pre Covid have either withdrawn completely or significantly scaled back their commitments. They have, understandably, reflected on their life and priorities and are choosing to spend their time in different ways. This has significant implications for the church, not least because the service provided to a community through this church-managed volunteering also has a significant impact, for example, on people's approaching the church at times of crisis, for baptisms, funerals and the other aspects of church life and community engagement.

Within all of this the DBF greatly values the considerable time given by all the committee members across the diocese in pursuit of the diocese's mission and strategy.

## **4. STRATEGIC REPORT**

### **I. ACHIEVEMENTS AND PERFORMANCE**

As flagged in previous Annual Reports we conducted a comprehensive strategic review in 2021. While retaining a continued focus on growing a bigger church to make a bigger difference we asked fundamental questions as to how we give full effect to our vision that there are ever more people knowing Jesus and more justice in the world. This review ended culminated in a successful bid for £7.5 million from the national church programme for Strategic Transformation Funding. Our programme is entitled Fit for Mission and seeks to re-imagine how we undertake mission and ministry in the across our parishes.

There is much more information on Fit for Mission on the diocesan website, but we would summarise Fit for Mission as an ambitious, growth-orientated, and locally delivered change programme to enable mission and ministry to flourish in the Diocese of Liverpool. It simultaneously invests in our 4 priority areas (introducing people to God through Jesus, deepening discipleship, developing Christian leaders, working for justice) while dealing head-on with the intransigent problems that significantly inhibit growth (constraining structures, inappropriate buildings, non-delivery of expectations). Each deanery within our diocese will be supported and resourced to work through a 2-year change process, in which they shape the detail and make good and contextually appropriate local decisions.

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The intensive work of transformation is underway. It will be a long and no doubt bumpy process but we remain convinced that Fit for Mission offers the best chance for the diocese to establish a platform to reverse decades of gradual decline and to move to a more resilient and growth-orientated position.

As we reported in previous Annual Reports, it has become clear that post-pandemic, the fundamentals of diocesan finances have shifted. We reported last year that we had seen a fall in regular church attendance of c. 20%; that plus the cost of living crisis had impacted on giving; furthermore, the massive increase in utility costs had also impacted parish finances. For these and other reasons we identified a post Covid structural deficit of c. £1 million had emerged in the diocesan budget. This manifested in a shortfall in local capacity to meet Parish Share payments.

In one sense this structural deficit is by no means unusual in the current Church of England. Most dioceses are facing something similar, if not worse (aggregate diocesan deficits in 2023 were c. £50 million). The difference in the Diocese of Liverpool is our uniquely weak asset base. We have the lowest historic assets in the Church of England. We always have had; it's an accident of history. But this lack of historic assets has cost the Diocese of Liverpool c. £1.5 million a year of lost income – year after year after year. That is starting to matter. And coupled with a challenging demographic and low land values we believe that the overall difference in income between the Diocese of Liverpool and the average diocese in the Church of England is nearly £5 million a year. And it's not because of our performance which is not in any way outlying; it is the financial and demographic hand that we have been dealt.

We believe that this has come to an unsustainable position, not least because of the impact on parishes. The levels of Parish Share as a proportion of parish income are too high.

Our fiscal rules do not allow us to make revenue deficits year on year. We have to return to a breakeven position. But we wanted to get a thorough understanding of the drivers of our deficit and our relative performance within the wider church. So we invited the national church to conduct an independent review of the Diocese of Liverpool – the first of its kind anywhere in the Church of England. This review was basically established to answer a simple but fundamental question – is the financial position of the Diocese of Liverpool caused by uniquely poor management or a uniquely unjust financial settlement. This initial review concluded that the Diocese of Liverpool is well managed and that our financial challenges do not result from poor decision-making. So we have embarked on a more detailed conversation with the national church about how we could secure a level of investment that would help turn the diocese from decline into sustained growth, enabling us to have stronger parishes and more resilient overall finances. If successful there would be a level of investment into our parishes to enable a more confident and urgent engagement in Fit for Mission and other strategic developments – all geared to making real the four missional priorities across the whole diocese.

As part of this process we also asked the national church (i) for further Sustainability Funding in 2022 and (ii) to support our in-year 2023 Parish Share position to enable us to continue to plan confidently while the Independent Review ran its course. The national church responded very positively and enormously helpfully to these requests granting us £0.5 million Sustainability Funding in 2022 (to enable us to credit out the bulk of Parish Share arrears in year) and up to £1 million to underwrite the 2023 position, of which £0.56m was required to support the 2023 position. We have been supported with one final award of stabilisation funding for 2024, providing £0.5m to support the financial position during the year whilst longer term plans are developed within the Diocese. We want to put on record our on-going thanks for that significant support as we navigate through these extremely challenging times.

And finally in this section we want once again to thank our parishes for their continued commitment in seeking to pay Parish Share. Pre Covid our overall Parish Share payment levels were net c. 99%, an extraordinarily high level of financial

## TRUSTEES' REPORT

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commitment. Those levels are no longer possible for all parishes for the reasons mentioned above; but the sacrificial commitment to pay what parishes can is still there. It remains the core of our diocesan budget.

### **Strategic Development Projects**

We continue to engage constructively in the national church's visions and strategy programme. We have previously reported on our first 3 Strategic Development Fund programmes – Transforming Wigan, Joshua Centre and Transform North West. These are all in the process of being integrated into our Fit for Mission project work. Transforming Wigan and the Joshua Centre have each been independently reviewed with a clear celebration and lessons learned focus. These reviews are available on the diocesan website.

Our 4<sup>th</sup> Strategic Development Fund project – Missing Generations – began its work in earnest in September 2020. It aims to grow 2 major resource churches at St James in the City and St Barnabas Penny Lane with a view to planting a 3<sup>rd</sup> resource church (which will begin its work fully during 2024). Each of these churches will be central to our future planting and revitalising work and capacity, not least as they are focussed on the under 30-year-old generations. The Missing Generations project is also geared at working in secondary schools, FE colleges and universities in Liverpool and Wigan, again to reach out to people currently unconnected with church. The ambitious work of Missing Generations remained on course during 2023.

### **Social and racial justice**

In 2021 there was a significant re-gearing of Together Liverpool, our key social justice partner, significantly aided by a successful application for National Lottery funding. Together Liverpool's research shows that if Liverpool were a diocese of 100 churches:

- 64 would be involved in food banks
- 41 would be involved with toddler groups or playgroups
- 54 would be providing lunch clubs or drop ins for older people
- 28 would be involved in community cafes
- 16 would be helping provide money and debt advice
- 20 would be providing breakfast or after school activities
- 17 would be involved with provision for homeless people
- 32 would be involved in other social action work and projects

In 2022 we appointed our first Racial Justice Officer, supported by monies kindly given by the Diocese of Oxford. Through the work of our Racial Justice Officer we developed a strategy to enable us to become an anti-racist diocese and to move from repentance to repair in matters of racial justice. During 2023 we secured additional funding from the national church to support this work.

### **Good Funerals Company**

We have established the Good Funerals Company as a subsidiary trading company of the Diocesan Board of Finance. This is part of a long-term strategy to reverse the decline in church-led funerals in the Diocese of Liverpool as well as engaging constructively and compassionately with bereaved families. It was launched in the summer of 2019 and developed significantly through the Covid crisis. It has grown year on year and in 2023 took over 350 funerals.

### **Church attendance**

Levels of church attendance remain a concern, despite the good work of our Strategic Development Fund projects noted above. The pre Covid average age of our congregations was significantly higher than the average age of the general

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population. And it's clear that the net impact of Covid on church attendance has been negative. It seems that weekly attendance has settled down at c 80% of the pre Covid levels (although monthly attendance may be slightly higher than that). It remains a significant but vital challenge to turn this decline around.

### **Schools**

We continue to maintain our 'market share' of children attending schools with c. 40,000 children in Church of England schools. Over 90% of our schools are currently rated good or outstanding by Ofsted, in line with our target. LDST, our multi-academy trust (MAT) is now well established and the subject of a very positive Ofsted inspection, and we continue to work on plans relating to the Government's Schools White Paper. We continue to be ambitious in promoting high quality, distinctively Christian primary and secondary education.

### **Access and inclusion**

We remain absolutely committed to sustained excellence in safeguarding both children and vulnerable adults in the diocese. We have invested significantly in the capacity of our safeguarding team and the level of training and information produced. We have a clear strategy in place. Our second Past Cases Review (PCRs) was finished in December 2021 – the timescale set by the national church for all dioceses – and was published in October 2022. We have systematically worked through its recommendations and are confident that there are currently no outstanding actions.

The DBF's commitment to access and inclusion has continued through the work on Disability Awareness and the Disabled Friendly Church Award. The move to on-line worship has been one of the few upsides to Covid in terms of making church accessible to people who would otherwise be unable to attend physically.

### **Asset management**

2023 was a more positive year for investment markets and our CCLA portfolio saw an unrealised gain of £294,878.

Similarly, after a period of reduced activity during the height of the pandemic, improvement and compliance works on clergy housing continued during 2023 with an additional £1.75m in financial investment into housing beyond the existing budget up to the end of 2024. We also recognise the continued need for this greater level of investment and we continue to plan for substantial improvement works in 2025 and beyond.

We continue to monitor closely our cash and broader reserve levels and think and plan on the basis of the medium rather than the short-term investments. We have not deemed it necessary or advantageous to change our investment policies.

### **Property**

We hold a lot of property (valued at £45 million). Much of this in practice takes the form of notional assets; because we have a responsibility to house clergy, we have little operational freedom around disposal or re-working of the individual assets. Rather, our primary responsibility is to ensure that clergy and their families feel safe and comfortable in their homes and that it provides a suitable base for mission and ministry.

The trustees are of the opinion that the market value of land and buildings exceeds their carrying value by an amount which cannot be ascertained without a disproportionate cost in determining the information.

2023 saw some minor changes in our property portfolio. One former vicarage was sold during the year for a total of £185,000 having previously been held at carrying values totalling £174,000, therefore yielding a net gain of £11,000.

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### II. FINANCIAL REVIEW

2023 was another significantly challenging year for Diocesan finances. We continued to budget according to our fiscal rules although the means by which we met them were exceptional. Although we achieved a surplus for the year of £269,836, it was through a series of exceptional measures which will not be available to us in the medium term, so it is important that we continue to attend to the underlying financial position in line with our fiscal rules, whilst working towards a long term mission, finance and people plan that will support a trajectory towards overall sustainability.

We also continue to recognise that the clergy housing budget is inadequate to ensure a safe, warm, and comfortable home for all our clergy. We continued through a process of strategic review to analyse what investment will be required to get and maintain our clergy housing in good condition. We have increased funding for housing by a total of £2.75m over the five years to 2025.

Our fiscal rules are:

- 1. We aim to achieve break-even in each financial year and triennial cycle. Financial losses may be acceptable on a limited scale over a short period, within the context of breakeven over the triennium. Consecutive annual losses will only be acceptable in extraordinary circumstances (to avoid perpetuating reductions in reserve levels).*
- 2. Parish Share and Lowest Income Communities Funding are to fund Missional Leadership. Investment income (rental and dividend), earned income and grant funding are to fund St James' House Services. Any imbalance between St James' House services budget and Missional Leadership budget is to be limited to within £100,000 in any given year.*
- 3. Missional Leadership budget variance to be distributed or recovered within the triennium.*
- 4. Strict budget discipline to apply in all areas of activity. Flexibility between budgets is acceptable, flexibility beyond budgets is not.*

*Investment and cash reserves are to be maintained at a minimum of four months operating expenditure*

#### **Performance against budget**

Each year we present a budget to Synod, which summarises our financial thinking and – once approved – sets the framework for our financial decision-making.

For 2023 we set a budget with a small surplus of £11,408 incorporating increases in the costs of ministry in parishes and schools and Parish Share increases mitigated fully by Parish Share Credit.

Our management accounts loss was £61,000, reflecting some of the ongoing issues facing church finances and Parish Share, but also the measures introduced to mitigate those losses. Parish Share receipts fell short of budget by £561,000, with a further shortfall in income from investments (£41,000) and grants (£30,000).

Much of this shortfall were offset by additional grant support from the National Church (£561,000) applied towards the shortfall in Parish Share collection.

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### **Annual accounts**

The Statement of Financial Activities on page 21 shows a significantly better position than the management accounts, namely a net increase in funds for the year of £269,836. This is because in addition to the loss of £61,000 referred to above there were additional expenses, provisions, gains, and revaluations as follows:

*Expenditure, provisions and losses (reducing funds):*

- ♦ £5,000 in depreciation
- ♦ £390,000 in Clergy Housing Capital investment

*Gains and revaluations (increasing funds):*

- ♦ £295,000 in equity investment gains
- ♦ £11,000 in additional gains on the sale of property
- ♦ £122,000 in one-off legacy and donation receipts
- ♦ £297,000 in short term restricted fund movements

We believe that our overall financial management is sound. Despite the challenges facing us as we emerged from the pandemic, we achieved a broadly breakeven result in our management accounts and with the overall effect of the above adjustments, a further £269,836 was added to the Diocese's accumulated funds over 2023.

### **Reserves**

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

*The DBF aims to maintain the equivalent of at least four months' operating expenditure in cash and equities in the General Fund. This excludes all designated funds, loans and loan guarantees. This policy is to be reviewed annually in the January Finance Committee meeting.*

Our fiscal rules established in 2018 state that investment and cash reserves are to be maintained at a minimum of 4 months operating expenditure. At the end of 2023 the total value of investments had recovered to the equivalent of 4 months budgeted expenditure but we remain vulnerable to volatility in the wider economy. Until we are able to enhance our asset base and diversify our holdings we remain vulnerable to reserves falling below the minimum target figure.

Investment markets stabilised during the year and we were able to maintain sufficient cashflow without any requirement to drawdown on investment reserves to realise additional cash.

The unrestricted reserve stands at £9.8m. £3.2m representing 3 months' operating expenditure, is retained as a general reserve to allow for any unexpected rises in expenditure or shortfall in income. The trustees believe that retaining reserves at a minimum of three months will cushion the diocese from short-term revenue problems and will enable them to meet their legal requirements in case of serious financial problems.

There were no designated funds during 2023.

## TRUSTEES' REPORT

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### Investments

The Memorandum of Association gives the trustees power to invest in any investment authorised by law in investment of trust funds. The trustees confirm that all investments have been acquired in accordance with their powers, and that they have followed the ethical investment policy used by the central Church of England bodies.

Our historic Glebe land portfolio is substantially managed by Fisher German.

### Grants received

Our main source of income is Parish Share. We also receive grants from Archbishops' Council through the Lowest Income Communities Fund, Strategic Development Fund, Strategic Ministry Fund and Sustainability Fund. These issues are discussed elsewhere in this report. We continue to be very grateful for the support of Marshall's Charity in the improvement of our housing stock and for the ongoing support of the Benefact Trust.

## III. FUTURE PLANS

We remain committed to asking God for a bigger church to make a bigger difference so that there are more people knowing Jesus and more justice in the world. As reported above these have been refined into 4 mission priorities and we obtained significant funding for our Fit for Mission programme. If we cannot reverse the underlying long-term decline, amplified by Covid, we will find our future increasingly constrained. These are key times for the long-term future of the Diocese of Liverpool.

## IV. PRINCIPAL RISKS AND UNCERTAINTIES

In addition to the financial and other risks outlined below, there are various key areas of activity where the diocese could incur financial penalties, operational failings, or reputational damage. In 2021 we began a process of re-working our risk and assurance processes; this work was completed in 2022. We now have a comprehensive risk and assurance framework where risk is clearly articulated and operates as a forcing function. The assurance framework is underpinned by metrics which articulate what good looks like and then track performance through. The trustees undertake an annual risk review exercise (the Audit Committee is the lead body in this).

Our risk register continues to highlight a number of risks which could impact seriously on the charity's operation and development. These range from the failure to reverse numerical decline to the failure to generate new disciples; from the failure to develop resilient finances to the failure to develop and maintain a robust safeguarding culture and practice; from the failure to invest in new technology to the implications of the climate crisis. The Finance Committee oversees the implementation of the recommendations arising out of this risk analysis. Liquidity risk is managed by ensuring sufficient liquidity to meet foreseeable needs, with an overdraft facility providing short-term flexibility and longer-term loans supporting asset acquisition.

## 5. FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Board is Custodian Trustee for trust assets with a market value of £6.1m at 31 December 2023. Detailed Certificates of Holdings were sent to parishes and other managing trustees as at December 2023. Most of these trusts are held on behalf of parishes whose charitable purpose is the advancement of religion and therefore is parallel to those of the Diocese. The funds are held in separate investments from those of the DBF and there is a separate bank account from which payments are made. We also hold a number of parish properties as Custodian Trustee, but we are unable to obtain a current valuation of these properties due to the complexity and substantial costs involved.

The Board also holds funds for the Liverpool Diocesan Pensions Fund and a number of historic trusts under the practical management of the bishops and archdeacons which give financial support to clergy and their families in need in the



## TRUSTEES' REPORT

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Diocese of Liverpool.

Further funds are held on behalf of Church of England Schools in the Diocese for capital building projects. At 31 December 2023, these funds had a market value of £3.4m (2022 - £3.4m).

### 6. NOTES AND QUERIES

There are a number of declarations and explanations that also need to be included in the annual report. These are as follows:

#### **Significant changes in fixed assets**

These are now explained in notes 10 and 11 to the financial statements.

#### **Related party transactions**

The diocese is a complex entity with a series of potentially overlapping structures. These can give rise to conflicts of interest. For example, many board members are also active in their local church, either as priests or lay members, and there may well be issues discussed at board level which impact on their own church. There are also specific instances, such as an application for a diocesan loan, where the parish can directly benefit. The board is always conscious of such potential conflicts and the need for board members to act appropriately. Indeed, each Finance Committee meeting has a formal declaration of interest to highlight potential conflicts, and individual members have left the room during certain discussions to ensure freedom of debate.

In 2008 a loan of £25k was issued to Emmanuel Theological College, (originally known as the Southern North West Training Partnership), a related party, and a further loan of £25k was issued in 2009. In December 2020, a further loan of £10,000 was issued to support the development of the new theological college (renamed to Emmanuel Theological College). A total of £15,000 remained outstanding as at 31 December 2023. This balance is included within the figure of £88,991 for parish and other concessionary loans at note 12.

#### **Post Balance Sheet Events**

During the year we continued to develop our understanding of the longer term impact of the pandemic whilst engaging with the challenges and uncertainty that remain within both the church and the wider economy. We have been able to maintain our financial position and a position of similar strength to the position prior to the pandemic, but we recognise that the underlying financial strength of many parishes remain weakened post-pandemic.

In 2023 we continued to work through our Fit for Mission programme of change, supported by Strategic Transformation Funding from the Archbishops' Council. This programme allows us to work with deaneries to re-imagine how we undertake mission and ministry in the Diocese. We continue to work with partners throughout the church structures on this key strategic change programme whilst aiming to develop plans that will support improvements in our overall sustainability into the long term.

#### **Fundraising**

There have been no significant fundraising activities at diocesan level in 2023.

#### **Insurance**

We continue to arrange our insurance with Ecclesiastical Insurance Group. The policies are subject to regular review.

## TRUSTEES' REPORT

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### **Trustees' interest in shares**

The board is a company limited by guarantee (company number 18301) and trustees, as members, may derive no benefit, income or capital interest in the board's financial affairs, other than the reimbursement of out-of-pocket expenses. No expenses were paid to Trustees' during the year.

### **Taxation status**

The Board is a registered charity (charity number 249740) and, as such, is not liable to Income Tax or Corporation Tax on its charitable activities.

### **Contingent liabilities**

There were no contingent liabilities on the Board at the end of the year other than the loans for with the charity has agreed to act as guarantor. The amounts are disclosed in note 16 to the financial statements.

## **7. STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of the Liverpool Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities SORP;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statement; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

TRUSTEES' REPORT

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**8. DISCLOSURE OF INFORMATION TO AUDITORS**

The trustees also confirm that, as far as they are aware, there is no relevant audit information of which the charity's auditors are unaware and they have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Trustees



Maggie Swinson

Trustee

31 October 2024

## INDEPENDENT AUDITOR'S REPORT

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LIVERPOOL DIOCESAN BOARD OF FINANCE

#### **Opinion**

We have audited the financial statements of Liverpool Diocesan Board of Finance (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 its net incoming resources and application of resources, 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 charity'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, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

## INDEPENDENT AUDITOR'S REPORT

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

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

- the information given in the trustees' report, which includes the directors' report 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 directors' report included within the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

## INDEPENDENT AUDITOR'S REPORT

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- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT

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**Use of our report**

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

Mitchell Charlesworth (Audit) Limited

Louise Casey ACA (Senior Statutory Auditor)  
for and on behalf of Mitchell Charlesworth (Audit) Limited  
Chartered Accountants  
Statutory Auditor  
31 October 2024

Suite 5.1  
12 Tithebarn Street  
Liverpool  
L2 2DT

STATEMENT OF FINANCIAL ACTIVITIES

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDING 31 DECEMBER 2023**

Current financial year		Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
	Note					
<b>Income from</b>						
Donations	2					
Parish Share		7,065,714	-	-	7,065,714	7,321,397
Archbishop's Council		2,583,830	2,265,419	-	4,849,249	4,683,745
Other Donations		1,334,680	81,512	-	1,416,192	1,148,864
Charitable Activities	3	219,810	26,040	-	245,850	460,988
Investments	4	688,188	-	-	688,188	682,304
Other	5	11,000	-	-	11,000	1,096,597
<b>Total income</b>		<b>11,903,222</b>	<b>2,372,971</b>	<b>-</b>	<b>14,276,193</b>	<b>15,393,895</b>
<b>Expenditure on</b>						
Charitable activities	6	11,964,785	2,075,920	-	14,040,705	14,513,503
Other	7	260,530	-	-	260,530	212,522
<b>Total expenditure</b>		<b>12,225,315</b>	<b>2,075,920</b>	<b>-</b>	<b>14,301,235</b>	<b>14,726,025</b>
Net (expenditure) income before investment gains		(322,093)	297,051	-	(25,042)	667,870
Net gains (losses) on investments	11	294,878	-	-	294,878	(543,774)
Net (expenditure) income	15	(27,215)	297,051	-	269,836	124,096
<b>Transfers between funds</b>	20	174,000	(174,000)	-	-	-
<b>Net movement in funds</b>		<b>146,785</b>	<b>123,051</b>	<b>-</b>	<b>269,836</b>	<b>124,096</b>
<b>Total funds brought forward</b>		<b>9,682,393</b>	<b>5,375,017</b>	<b>33,824,999</b>	<b>48,882,409</b>	<b>48,758,313</b>
<b>Total funds carried forward</b>		<b>9,829,178</b>	<b>5,498,068</b>	<b>33,824,999</b>	<b>49,152,245</b>	<b>48,882,409</b>

All activities derive from continuing activities.

The notes on pages 25 to 47 form part of the financial statements



STATEMENT OF FINANCIAL ACTIVITIES

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDING 31 DECEMBER 2023**

Prior financial year		Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £
	Note				
<b>Income from</b>					
Donations	2				
Parish Share		7,321,397	-	-	7,321,397
Archbishop's Council		3,078,996	1,604,749	-	4,683,745
Other Donations		1,033,219	115,645	-	1,148,864
Charitable Activities	3	442,019	18,969	-	460,988
Investments	4	682,304	-	-	682,304
Other	5	1,096,597	-	-	1,096,597
<b>Total income</b>		<b>13,654,532</b>	<b>1,739,363</b>	<b>-</b>	<b>15,393,895</b>
<b>Expenditure on</b>					
Charitable activities	6	12,401,059	2,112,444	-	14,513,503
Other	7	212,522	-	-	212,522
<b>Total expenditure</b>		<b>12,613,581</b>	<b>2,112,444</b>	<b>-</b>	<b>14,726,025</b>
Net income (expenditure) before investment gains		1,040,951	(373,081)	-	667,870
Net gains on investments	11	(543,774)	-	-	(543,774)
Net income (expenditure)	15	497,177	(373,081)	-	124,096
<b>Transfers between funds</b>	20	(40,474)	146,000	(105,526)	-
<b>Net movement in funds</b>		<b>456,703</b>	<b>(227,081)</b>	<b>(105,526)</b>	<b>124,096</b>
<b>Total funds brought forward</b>		<b>9,225,690</b>	<b>5,602,098</b>	<b>33,930,525</b>	<b>48,758,313</b>
<b>Total funds carried forward</b>		<b>9,682,393</b>	<b>5,375,017</b>	<b>33,824,999</b>	<b>48,882,409</b>

All activities derive from continuing activities.

The notes on pages 25 to 47 form part of the financial statements

BALANCE SHEET

**BALANCE SHEET**

**AT 31 DECEMBER 2023**

	Notes	2023		2022	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	10		38,850,968		39,029,892
Investments	11		10,103,172		9,808,294
			<u>48,954,140</u>		<u>48,838,186</u>
<b>Current Assets</b>					
Debtors: due within 1 year	12	1,336,943		900,377	
Cash at bank and in hand		<u>3,804,478</u>		<u>4,179,283</u>	
		5,141,421		5,079,660	
<b>Creditors:</b>					
Amounts falling due within one year	13	<u>(4,357,716)</u>		<u>(4,449,837)</u>	
<b>Net current assets</b>			<u>783,705</u>		<u>629,823</u>
Total assets less current liabilities			49,737,845		49,468,009
<b>Creditors: amounts falling due after more than one year</b>					
Other creditors	14		(585,600)		(585,600)
<b>Net Assets</b>			<u>49,152,245</u>		<u>48,882,409</u>
<b>Accumulated Funds</b>	20				
Endowment funds			33,824,999		33,824,999
Restricted funds			5,498,068		5,375,017
Unrestricted funds			9,829,178		9,682,393
<b>Total funds</b>			<u>49,152,245</u>		<u>48,882,409</u>

The financial statements on pages 21 to 47 were approved by the Finance Committee on 31 October 2024 and signed on its behalf by:

*Maggie Swinson*

Maggie Swinson

Chair

STATEMENT OF CASH FLOWS

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

		2023	2022
	Note	£	£
<b>Cash flows from operating activities:</b>			
<b>Net cash (used in) provided by operating activities</b>	i	<u>(1,247,993)</u>	<u>(882,926)</u>
<b>Cash flows from investing activities:</b>			
Investment income		688,188	682,304
Sale of tangible fixed assets		185,000	1,941,517
Purchase of tangible fixed assets		-	(5,073)
Interest on loans and bank overdrafts		<u>-</u>	<u>(3,225)</u>
<b>Net cash provided by investing activities</b>		<u>873,188</u>	<u>2,615,523</u>
<b>Cashflows from financing activities:</b>			
Cash inflows from new borrowings		<u>-</u>	<u>-</u>
<b>Net cash provided by financing activities</b>		<u>-</u>	<u>-</u>
<b>Net Change in cash and cash equivalents</b>		(374,805)	1,732,597
Cash and cash equivalents brought forward		4,179,283	2,446,686
<b>Cash and cash equivalents carried forward</b>		<u>3,804,478</u>	<u>4,179,283</u>

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**i, Reconciliation of net income to net cash (used in) provided by operating activities**

	2023	2022
	£	£
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>(25,042)</b>	<b>667,870</b>
Depreciation	4,924	8,236
Investment income	(688,188)	(682,304)
Interest on loans and bank overdrafts	-	3,225
Gains on disposal of property	(11,000)	(1,078,517)
Increase in debtors	(436,566)	440,078
(Decrease) increase in creditors	(92,121)	(241,514)
<b>Net cash (used in) provided by operating activities</b>	<b><u>(1,247,993)</u></b>	<b><u>(882,926)</u></b>

**ii, Analysis of cash and cash equivalents**

	I January 2023	Cash flow	Other non 31 December cash	2023
	£	£	£	£
Net Cash:-				
Cash at bank and in hand	4,179,283	(374,805)	-	3,804,478

**iii, Reconciliation of net cash flow to movement in net funds**

	2023	2022
	£	£
(Decrease) increase in cash	(374,805)	1,732,598
Opening net funds	4,179,283	2,446,685
Closing net funds	<u>3,804,478</u>	<u>4,179,283</u>

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

### I. (a) Accounting policies

The Liverpool Diocesan Board of Finance is company limited by guarantee registered in England no 18301 and a registered charity no 249740 and its registered office is at St James House, 20 St James Road, L1 7BY. The LDBF constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The charity has claimed exemption from preparing consolidated financial statements as its subsidiary, The Good Funeral Company Limited, remained dormant throughout 2023 and its activities have been recorded within the income and expenditure of the Diocese.

The presentation currency is pounds sterling and figures are shown to the nearest £. A summary of the more important accounting policies which have been consistently applied is set out below.

### (b) Income

The principal source of income comes from voluntary giving in the form of parish share. All income is included in the Statement of Financial Activities (SOFA) when LDBF has entitlement to the funds, the amount can be quantified, and receipt of the funds is probable.

### (c) Expenditure

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

- i) **Costs of raising funds** are constrained to costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing and supporting mission and ministry in the parishes of the diocese and expenditure on education and Church of England schools in the diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the LDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration, and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** The LDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 17). The pension costs charged as resources expended represent the LDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which LDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

## NOTES TO THE ACCOUNTS

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vi) **Parish share credit** Parish Share Credit was calculated in two stages, the first of which was targeted at those parishes with very low levels of reserves and a shortfall in income, with the second stage considering those parishes that had suffered reductions in reserve levels and faced a reduced ability to pay Parish Share in the subsequent year. The sums credited were calculated using parish financial data and forecasts, in dialogue with deanery leaders.

**(d) Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing the accounts.

**(e) Financial Instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**(f) Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**(g) Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**(h) Derecognition of financial assets and liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

## NOTES TO THE ACCOUNTS

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Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**(i) Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Critical judgements**

***Properties held under revaluation model***

The charity records properties held within investments under the revaluation model. Periodically the charity obtains a third party valuation from a suitably qualified specialist. This report values all property and land held by the charity at fair value but where this is not possible, uses the depreciated replacement cost method.

**(i) Investment assets and income arising**

The Board of Finance holds investments for itself and on behalf of parishes and other charities. Investments and their associated income are only recognised where the Board is investment custodian, investment manager and the beneficiary.

Investments are shown at market value, or at the trustees' best estimate of such.

## NOTES TO THE ACCOUNTS

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Investment properties are included in the balance sheet at fair value and are not depreciated. Although this accounting policy is in accordance with the applicable accounting standard, FRS102, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the trustees, compliance with the accounting standard FRS102 is necessary for the financial statements to give a true and fair view of its financial position, performance and cashflow. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

All quoted investments are held and valued on the basis of information provided from CCLA.

Dividends and interest are included in the financial statements when receivable.

Realised gains on investments are reinvested where appropriate. Both realised and unrealised gains are disclosed in the Statement of Financial Activities.

### **(k) Major Funds**

Funds held by the charity are either:

Restricted funds – these funds consist of trust and other funds, which may only be used for specific purposes imposed by the settlor, donor, or legislation.

Permanent Endowment funds – these are funds where there is no power to convert capital into income. Where the trustees have the power to convert endowments into income, these funds are known as expendable endowments.

Unrestricted funds – these are funds which may be used for general purposes without any external restriction.

Designated Funds – these are unrestricted funds that have been set aside by the Board for purposes designated by Diocesan policy. Such designations may be set aside from time to time according to policy decisions.

Details of the major funds held by the Board are given in note 20 to the Financial Statements.

### **(l) Stipends**

Clergy stipends and the salaries of licensed lay staff, though a diocesan responsibility, are paid through the Church Commissioners payroll. The cost of the stipends and salaries paid by the Church Commissioners on behalf of the Board are shown gross in these financial statements. However, bishops are paid entirely by the Church Commissioners and the relevant costs have been excluded from these financial statements.

### **(m) Fixed assets**

Classes of Fixtures and fittings are grouped and only those classes with a value of over £10,000 are capitalised and not expensed. Property is held in the balance sheet at cost or deemed cost for land and buildings held at valuation at the date of transition to FRS 102.

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be

## NOTES TO THE ACCOUNTS

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

Depreciation on fixed assets is provided on a straight-line basis over five years for furniture and over three years for IT equipment.

All fixed assets are held for continuing use in the charity's activities and are therefore classified as fixed assets for charitable use.

**(n) Netting off of expenses and income**

All incoming resources are reported gross, as far as is possible. Income received in circumstances where a claim for repayment of tax has been or will be made, is grossed up for the tax recoverable and the gross figure included as income.

**(o) Designated funds**

Designated funds are used for their intended purpose. Any transfers to or from designated funds are subject to authorisation controls.

**(p) Reserves**

Accumulated capital is the amount transferred from general reserve, profits less losses on sale of fixed assets and investments, legacies and gifts received for capital purposes. The general reserve is the total accumulated surplus less deficits for the Board of Finance.

Restricted funds are subject to specific conditions either imposed by the donor and binding on the Board or linked to the basis on which money was obtained. They represent unspent restricted income and/or assets to which restrictions as to their use apply.

**(q) Irrecoverable VAT**

Irrecoverable VAT is grossed up and included in all relevant expenditure.

**(r) Taxation**

The Diocese benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income and gains falling within those exemptions.

**(s) Operating Leases**

Rentals payable under operating leases are charged in the SOFA on a straight-line basis over the lease term.



NOTES TO THE ACCOUNTS

2. Donations and legacies

Current financial year

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2023 £	Total Funds 2022 £
General Parish Share Income	7,065,714	-	-	7,065,714	7,321,397
	7,065,714	-	-	7,065,714	7,321,397

Income from National Church Institutions

Current financial year

Lowest Income Communities Funding	1,709,191	-	-	1,709,191	1,697,396
Sustainability Funding	560,836	-	-	560,836	498,000
Strategic Development Funding	-	956,253	-	956,253	699,462
Ordination Training Block Grant	-	250,316	-	250,316	330,067
Strategic Ministry Fund for Curates	249,706	-	-	249,706	355,671
Energy Costs Grant	-	-	-	-	475,000
Strategic Capacity Funding	-	-	-	-	281,809
Strategic Transformation Funding	-	1,058,850	-	1,058,850	293,411
Grant for Legal services	64,097	-	-	64,097	52,929
	2,583,830	2,265,419	-	4,849,249	4,683,745

Other Donations

Current financial year

Benefact Trust Grant	164,500	-	-	164,500	188,000
General DBF Donations	409,736	10,740	-	420,476	155,171
Racial Justice	50,000	-	-	50,000	50,000
Transform North West	-	-	-	-	80,250
Joshua Centre Fund	-	-	-	-	5,166
Marshalls Charity Grants for Parsonages	-	70,772	-	70,772	30,229
Stipends	2,398	-	-	2,398	9,663
Net Zero	113,000	-	-	113,000	72,162
School Building Donations	-	-	-	-	15,310
DBE Services Ltd	78,176	-	-	78,176	25,622
DBF Fees	516,870	-	-	516,870	517,291
	1,334,680	81,512	-	1,416,192	1,148,864

NOTES TO THE ACCOUNTS

**2 Donations and legacies**

**Prior financial year**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Permanent Endowment</b>	<b>Total Funds 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Parish Share Income	7,321,397	-	-	7,321,397
	7,321,397	-	-	7,321,397

**Income from National Church Institutions**

**Prior financial year**

Lowest Income Communities Funding	1,697,396	-	-	1,697,396
Sustainability Funding	498,000	-	-	498,000
Strategic Development Funding	-	886,399	-	886,399
Ordination Training Block Grant	-	330,067	-	330,067
Strategic Ministry Fund for Curates	355,671	-	-	355,671
Energy Costs Grant	475,000	-	-	475,000
Strategic Capacity Funding	-	281,809	-	281,809
Strategic Transformation Funding	-	106,474	-	106,474
Grant for Legal services	52,929	-	-	52,929
	3,078,996	1,604,749	-	4,683,745

**Other Donations**

**Prior financial year**

Discretionary Funds Grant	188,000	-	-	188,000
Coronavirus Job Retention Scheme	155,171	-	-	155,171
MOF Projects	50,000	-	-	50,000
Transform North West	-	80,250	-	80,250
Joshua Centre Fund	-	5,166	-	5,166
Marshalls Charity Grants for Parsonages	-	30,229	-	30,229
Stipends	9,663	-	-	9,663
Social Justice	72,162	-	-	72,162
School Building Donations	15,310	-	-	15,310
DBE Services Ltd	25,622	-	-	25,622
DBF Fees	517,291	-	-	517,291
	1,033,219	115,645	-	1,148,864

**3. Charitable Activities**

**Current financial year**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Permanent Endowment</b>	<b>Total Funds 2023</b>	<b>Total Funds 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Gift Aid Scheme	9,298	-	-	9,298	11,280
General DBF Income	86,090	-	-	86,090	200,806
Board of Education	124,461	-	-	124,461	168,066
Communications Office	(39)	-	-	(39)	23,963
Clergy Housing Income	-	-	-	-	37,904
Church Inspection Fees	-	26,040	-	26,040	18,969
	219,810	26,040	-	245,850	460,988

NOTES TO THE ACCOUNTS

3. Charitable Activities

Prior financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2022
	£	£	£	£
Gift Aid Scheme	11,280	-	-	11,280
General DBF Income	200,806	-	-	200,806
Board of Education	168,066	-	-	168,066
Communications Office	23,963	-	-	23,963
Clergy Housing Income	37,904	-	-	37,904
Church Inspection Fees	-	18,969	-	18,969
	442,019	18,969	-	460,988

4. Investment Income

Current financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
DBF Investment Income	133,467	-	-	133,467	129,783
Church House / Investment Property Rental Income	117,488	-	-	117,488	44,720
Parsonages Rental Income	437,233	-	-	437,233	507,801
	688,188	-	-	688,188	682,304

4. Investment Income

Prior financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2022
	£	£	£	£
DBF Investment Income	129,783	-	-	129,783
Church House Rental Income	44,720	-	-	44,720
Parsonages Rental Income	507,801	-	-	507,801
	682,304	-	-	682,304

5. Other income

Current financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Property Transactions	11,000	-	-	11,000	1,096,597
	11,000	-	-	11,000	1,096,597

5. Other income

Prior financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2022
	£	£	£	£
Property Transactions	1,096,597	-	-	1,096,597
	1,096,597	-	-	1,096,597

NOTES TO THE ACCOUNTS

6 Charitable Activities

Current financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Archbishops' Council	215,948	-	-	215,948	197,774
	215,948	-	-	215,948	197,774

Resourcing Mission and Ministry

Current financial year

Parish Mission and Ministry:

Clergy stipends	4,578,388	-	-	4,578,388	4,652,723
Clergy Pension Costs	1,087,479	-	-	1,087,479	1,281,030
National insurance	405,302	-	-	405,302	420,256
Resettlement/removal grants etc	137,680	-	-	137,680	149,298
Lay Workers	23,564	-	-	23,564	22,598
Administration and other costs	392,088	-	-	392,088	197,773
Clergy Grants	9,247	280,191	-	289,438	469,168
Parish share grant credit	-	-	-	-	639,105
Area Dean Grants	37,300	-	-	37,300	41,525
Good Funeral Company	105,551	-	-	105,551	116,042
Strategic Development Funding	-	1,488,908	-	1,488,908	1,630,443
Clergy Housing	1,605,743	-	-	1,605,743	1,523,875
Deanery Mission and Growth Grants	447,931	-	-	447,931	252,347
Grants to Parishes from Property Sales	-	-	-	-	60,050
DBF Central Costs (25%)	203,352	-	-	203,352	175,433
St James' House Costs (15%)	19,995	-	-	19,995	17,211
	9,053,620	1,769,099	-	10,822,719	11,648,877

6 Charitable Activities (continued)

Current financial year

Support for Parish Mission and Ministry:

Clergy Training	280,039	-	-	280,039	280,040
Lifelong Learning	300,596	-	-	300,596	217,079
Social Justice	209,566	-	-	209,566	82,601
Church Growth & Ecumenism	65,666	-	-	65,666	61,171
Resources Department	126,422	-	-	126,422	136,228
Ordinands in Training	317,870	241,181	-	559,051	506,024
Communications Office	170,616	-	-	170,616	186,352
Pastoral Committee	-	52,459	-	52,459	66,238
Safeguarding and Inclusion	166,588	-	-	166,588	155,041
Diocesan Advisory Council	73,436	-	-	73,436	74,407
Ecumenical Funding	43,284	-	-	43,284	44,784
DBF Central Costs (60%)	488,044	-	-	488,044	421,039
St James' House Costs (80%)	106,638	-	-	106,638	91,792
Other	-	13,181	-	13,181	16,499
	2,348,766	306,821	-	2,655,587	2,339,295

Expenditure on Education

Current financial year

Support for church schools and parishes	346,452	-	-	346,452	327,433
Property Expenditure on Schools	-	-	-	-	124
	346,452	-	-	346,452	327,557

Total Charitable Activities 2023

11,964,785	2,075,920	-	14,040,705	14,513,503
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NOTES TO THE ACCOUNTS

6 Charitable Activities (continued)

Prior financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2022
	£	£	£	£
Archbishops' Council	197,774	-	-	197,774
	197,774	-	-	197,774

Resourcing Mission and Ministry

Prior financial year

Parish Mission and Ministry:

Clergy stipends	4,652,723	-	-	4,652,723
Clergy Pension Costs	1,281,030	-	-	1,281,030
National insurance	420,256	-	-	420,256
Resettlement/removal grants etc	149,298	-	-	149,298
Lay Workers	22,598	-	-	22,598
Administration and other costs	197,773	-	-	197,773
Clergy Grants	380,134	89,034	-	469,168
Parish share grant credit	639,105	-	-	639,105
Area Dean Grants	41,525	-	-	41,525
Good Funeral Company	116,042	-	-	116,042
Strategic Development Funding	-	1,630,443	-	1,630,443
Clergy Housing	1,523,875	-	-	1,523,875
Deanery Mission and Growth Grants	252,347	-	-	252,347
Grants to Parishes from Property Sales	60,050	-	-	60,050
DBF Central Costs (25%)	175,433	-	-	175,433
St James' House Costs (15%)	17,211	-	-	17,211
	9,929,400	1,719,477	-	11,648,877

Prior financial year

Support for Parish Mission and Ministry:

Clergy Training	280,040	-	-	280,040
Lifelong Learning	217,079	-	-	217,079
Social Justice	82,601	-	-	82,601
Church Growth & Ecumenism	61,171	-	-	61,171
Resources Department	136,228	-	-	136,228
Ordinands in Training	195,918	310,106	-	506,024
Communications Office	186,352	-	-	186,352
Pastoral Committee	-	66,238	-	66,238
Safeguarding and Inclusion	155,041	-	-	155,041
Diocesan Advisory Council	74,407	-	-	74,407
Ecumenical Funding	44,784	-	-	44,784
DBF Central Costs (60%)	421,039	-	-	421,039
St James' House Costs (80%)	91,792	-	-	91,792
Other	-	16,499	-	16,499
	1,946,452	392,843	-	2,339,295

6 Charitable Activities (continued)

Expenditure on Education

Prior financial year

Support for church schools and parishes	327,433	-	-	327,433
Property Expenditure on Schools	-	124	-	124
	327,433	124	-	327,557

Total Charitable Activities 2022

12,401,059	2,112,444	-	14,513,503
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## NOTES TO THE ACCOUNTS

### 7 Other Resources Expended

#### Current financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
<b>Governance:</b>					
DBF Central Costs (15%)	122,011	-	-	122,011	105,260
Diocesan Registry	111,605	-	-	111,605	76,283
Audit and accounting fees	20,249	-	-	20,249	25,242
St James' House Costs (5%)	6,665	-	-	6,665	5,737
	<b>260,530</b>	<b>-</b>	<b>-</b>	<b>260,530</b>	<b>212,522</b>

### 7 Other Resources Expended

#### Prior financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2022
	£	£	£	£
<b>Governance:</b>				
DBF Central Costs (15%)	105,260	-	-	105,260
Diocesan Registry	76,283	-	-	76,283
Audit and accounting fees	25,242	-	-	25,242
St James' House Costs (5%)	5,737	-	-	5,737
	<b>212,522</b>	<b>-</b>	<b>-</b>	<b>212,522</b>

### 8 Analysis of support costs

#### Current financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Central administration	813,407	-	-	813,407	701,732
Diocesan Registry	111,605	-	-	111,605	76,283
St James' House	133,298	-	-	133,298	114,740
	<b>1,058,310</b>	<b>-</b>	<b>-</b>	<b>1,058,310</b>	<b>892,755</b>

### 8 Analysis of support costs (continued)

#### Prior financial year

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total Funds 2022
	£	£	£	£
Central administration	701,732	-	-	701,732
Diocesan Registry	76,283	-	-	76,283
St James' House	114,740	-	-	114,740
	<b>892,755</b>	<b>-</b>	<b>-</b>	<b>892,755</b>

### 9 Staff Costs

Employee costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	2,031,378	1,716,730
National Insurance Contributions	187,994	144,645
Pension costs	336,411	303,780
	<b>2,555,783</b>	<b>2,165,155</b>

The average number of persons employed during the year:

	2023 Number	2022 Number
Full time	42	33
Part time	32	26
	<b>74</b>	<b>59</b>

## NOTES TO THE ACCOUNTS

### Remuneration of key management personnel

Key management personnel are deemed to be those having the authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Liverpool Diocesan Board of Finance. At the end of 2023 these were:

Diocesan Secretary & Company Secretary	Mike Eastwood
Assistant Diocesan Secretary & Director of Communications	Stuart Haynes
HR Manager	Debbie Brisco
Director of Vocations	Suzanne Matthews
Director of Finance	Matt Elliott
Director of Education	Stuart Harrison
Director of Social Justice	Ellen Loudon
Director of Learning & Stewardship	Steve Pierce
Diocesan Programme Manager	Richard Gedge

Total remuneration and pensions for these employees amounted to £557,624 (2022: £522,189)

The number of employees whose emoluments exceeded £60,000 was:

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

### Trustees' emoluments

No Trustee received any remuneration or reimbursement for expenses for services as Trustee. Trustees who are also stipendiary clergy receive remuneration for including stipends, pension and housing based on national rates set by the central stipends authority.

The following trustees received remuneration in respect of their roles as stipendiary clergy:

The Venerable Miranda Threlfall-Holmes  
 The Venerable Pete Spiers  
 The Venerable Simon Fisher  
 Rev Peter Dawkin (elected)  
 Rev Canon Emma Williams (elected)

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

The LDBF paid an average of 165 (2022 - 173) stipendiary clergy as office holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2023 £	2022 £
Stipends	4,632,930	4,700,313
Pension costs	1,114,764	1,626,466
National Insurance Contributions	411,045	432,303
	<u>6,158,739</u>	<u>6,759,082</u>

NOTES TO THE ACCOUNTS

10. Tangible Fixed Assets

	DBF Property £	DBF Glebe £	DBF VLL Property £	Team Vicars Glebe £	Parsonages £	Fixtures & Fittings £	Total Funds £
<b>Deemed cost or historic cost</b>							
At 1 January 2023	703,840	2,659,971	85,001	3,470,000	32,104,466	350,486	39,373,764
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	(174,000)	-	-	(174,000)
At 31 December 2023	703,840	2,659,971	85,001	3,296,000	32,104,466	350,486	39,199,764
<b>Depreciation</b>							
At 1 January 2023	-	-	-	-	-	343,871	343,871
Charge for year	-	-	-	-	-	4,924	4,924
At 31 December 2023	-	-	-	-	-	348,795	348,795
<b>Net book value</b>							
At 31 December 2023	703,840	2,659,971	85,001	3,296,000	32,104,466	1,691	38,850,969
At 31 December 2022	703,840	2,659,971	85,001	3,470,000	32,104,466	6,615	39,029,893

All properties held as Tangible Fixed Assets are freehold.

11. Fixed Asset Investments

	Investment Properties £	UK Quoted Investments £	Total Funds 2023 £	Total Funds 2022 £
Market value at 1 January 2023	5,882,458	3,925,836	9,808,294	10,352,068
Additions	-	-	-	-
Gains on Investment Assets	-	294,878	294,878	(543,774)
<b>Market value at 31 December 2023</b>	<b>5,882,458</b>	<b>4,220,714</b>	<b>10,103,172</b>	<b>9,808,294</b>

Investment properties were valued by Peter Kenny Property Management as at 31<sup>st</sup> December 2015. The Investment Property at Linnet Lane was revalued for insurance purpose in 2017. The trustees have considered the rebuild valuation against local market conditions and consider the rebuild valuation to be a close approximation of fair value. The trustees have valued the investment properties at a current fair value of £5,882,458 as at 31 December 2023.



NOTES TO THE ACCOUNTS

**11. (cont.) Fixed asset investments**

<b>Historical Cost of Investments</b>	<b>2023</b>	<b>2022</b>
	£	£
UK Quoted	2,848,504	2,848,504
Investment Property	3,809,068	3,809,068
	<u>6,657,572</u>	<u>6,657,572</u>

<b>Quoted Investments comprise</b>	<b>2023</b>	<b>2022</b>
	£	£
CBF Property Fund	732,484	780,375
CBF Investment Fund	2,327,173	2,127,054
CBF Global Equity Fund	1,099,756	957,107
CBF Deposit Fund	61,289	61,289
DBE Services Ltd	12	12
	<u>4,220,714</u>	<u>3,925,837</u>

In 2005 the diocese purchased 12 ordinary shares of £1 each (now a 1/6<sup>th</sup> shareholding) in DBE Services Ltd. DBE Services Ltd provides services for schools. In 2023 the Diocese's share of the surplus was £78,176 (see note 2).

The shares may not be disposed of or charged except in accordance with the provisions of the Shareholders' Agreement. Distributable profits attributable to the work done for relevant schools are to be distributed in the proportions to which they arise from the work done for the relevant schools for each shareholder and the remaining distributable profits shall be divided equally between the shareholders.

During 2018 The Good Funerals Company Limited was established as a company limited by guarantee under the control of LDBF. The company itself remained dormant during 2022 and 2023, but all of its activities have been reported through the Diocesan accounts.

**12. Debtors**

<b>Current financial year</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Permanent Endowment</b>	<b>Total Funds 2023</b>	<b>Total Funds 2022</b>
	£	£	£	£	£
Amounts due from parishes	391,555	-	-	391,555	577,730
Sundry debtors	856,397	-	-	856,397	233,656
Parish and other concessionary loans	87,391	1,600	-	88,991	88,991
	<u>1,335,343</u>	<u>1,600</u>	<u>-</u>	<u>1,336,943</u>	<u>900,377</u>

**12. Debtors (continued)**

<b>Prior financial year</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Permanent Endowment</b>	<b>Total Funds 2022</b>
	£	£	£	£
Amounts due from parishes	577,730	-	-	577,730
Sundry debtors	233,656	-	-	233,656
Parish and other concessionary loans	87,391	1,600	-	88,991
	<u>898,777</u>	<u>1,600</u>	<u>-</u>	<u>900,377</u>

NOTES TO THE ACCOUNTS

**13. Creditors: amounts falling due within one year**

<b>Current financial year</b>	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2023 £	Total Funds 2022 £
Sundry creditors	3,474,786	-	-	3,474,786	3,453,360
Accruals	285,331	-	-	285,331	145,616
Deanery Mission and Growth Funds	606,374	-	-	606,374	841,090
Taxation and social security	(8,775)	-	-	(8,775)	9,771
	<b>4,357,716</b>	<b>-</b>	<b>-</b>	<b>4,357,716</b>	<b>4,449,837</b>

<b>Prior financial year</b>	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2022 £	
Sundry creditors	3,453,360	-	-	3,453,360	
Accruals	145,616	-	-	145,616	
Deanery Mission and Growth Funds	841,090	-	-	841,090	
Taxation and social security	9,771	-	-	9,771	
Pension deficit funding contributions	-	-	-	-	
	<b>4,449,837</b>	<b>-</b>	<b>-</b>	<b>4,449,837</b>	

**14. Creditors: amounts falling due after more than one year**

<b>Current financial year</b>	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2023 £	Total Funds 2022 £
Loans from Church Commissioners	85,000	-	-	85,000	85,000
Loans from CCLA	500,000	-	-	500,000	500,000
Loans from CBF	-	600	-	600	600
	<b>585,000</b>	<b>600</b>	<b>-</b>	<b>585,600</b>	<b>585,600</b>

<b>Prior financial year</b>	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2022 £	
Loans from Church Commissioners	85,000	-	-	85,000	
Loans from CCLA	500,000	-	-	500,000	
Loans from CBF	-	600	-	600	
	<b>585,000</b>	<b>600</b>	<b>-</b>	<b>585,600</b>	

Loans from Church Commissioners are secured on value-linked loan properties, included in fixed assets and are repayable on the sale of the property. There is no fixed repayment date for these. The total interest paid during 2023 was £Nil (2022: £Nil).

## NOTES TO THE ACCOUNTS

### 15. Net expenditure for the year

	2023	2022
This is stated after charging:-		
	£	£
Auditors' remuneration:		
Audit – Mitchell Charlesworth (formerly BWM)	16,800	16,800
Non audit fees (payroll services)	3,449	6,772
Depreciation	4,924	8,236
Operating Leases – Land & Buildings	75,000	75,000
Operating Leases – Plant and Equipment	1,812	1,812
Interest on bank loans and overdrafts	115	115

### 16. Guarantees

The Board has given guarantees to Lloyds Bank for £49,639 (2022: £49,639) in respect of loans granted to parishes.

### 17. Pensions

#### (a) Clergy Pensions

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2023: £1,087,479, 2022: £1,626,466), 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 contribution paid were £0 (2022: £185,000).

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

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

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

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

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil

## NOTES TO THE ACCOUNTS

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 is nil. The movement in the balance sheet liability over 2022 and over 2023 is set out in the table below.

	2023	2022
Balance sheet liability at 1 January	0	320,000
Deficit contribution paid	0	-185,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	-135,000
Balance sheet liability at 31 December	0	0

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2023 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

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

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

### (b) Staff Pensions

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

CWPF has two sections:

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

### Defined Benefits Scheme

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

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

## NOTES TO THE ACCOUNTS

mortality and post-retirement investment returns.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2023: £147,011, 2022: £157,724) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £147,011 for 2023 (2022: £157,724).

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

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

The next actuarial valuation is due at 31 December 2022. The calculations for this are under way.

### 18. Analysis of net assets by funds as at 31 December

Current financial year	Tangible		Net		Total
	Fixed	Loans/	Current	Long-term	
	Assets	Investments	Liabilities	Liabilities	
	£	£	£	£	£
Unrestricted funds	790,532	9,148,096	475,550	(585,000)	9,829,178
Restricted funds	5,190,513	-	308,155	(600)	5,498,068
Endowment funds	32,869,923	955,076	-	-	33,824,999
Total	38,850,968	10,103,172	783,705	(585,600)	49,152,245

NOTES TO THE ACCOUNTS

Prior financial year	Tangible		Net		Total
	Fixed	Loans/	Current	Long-term	
	Assets	Investments	Liabilities	Liabilities	
	£	£	£	£	£
Unrestricted funds	795,456	8,853,218	618,719	(585,000)	9,682,393
Restricted funds	5,364,514	-	11,103	(600)	5,375,017
Endowment funds	32,869,923	955,076	-	-	33,824,999
Total	39,029,893	9,808,294	629,822	(585,600)	48,882,409

Further details of individual funds are given in note 20 below.

## 19. Lease Obligations

At 31<sup>st</sup> December 2023, Liverpool DBF was committed to making the following payments under non-cancellable operating leases:

	2023		2022	
	Land and Buildings	Plant and Equipment	Land and Buildings	Plant and Equipment
	£	£	£	£
Within 1 year	75,000	-	75,000	-
Within 2 to 5 years	206,250	-	281,250	-

## 20. Accumulated funds

The General fund is unrestricted. In 2010 £170,000 was designated to the Warrington Mission Development Fund from the sale proceeds of a former vicarage. As at 31 December 2022, the balance on this designated fund amounted to nil (2021 - £16,972) following the distribution of the remaining £16,972 from the fund during 2022.

A further designated fund of £1.6m was created during 2020 from the £1m sustainability funding received from the Church Commissioners and from £0.6m of cost savings made. The fund was to provide support to parishes in their payment of parish share for 2020 and 2021. At the end of 2022 the carried forward balance of £676,589 had been applied in full.

**Diocesan Stipends Fund (DSF) Capital Account:** The Diocesan Stipends Fund Capital account was set up by the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of Glebe property, sale proceeds of parsonage houses and surplus benefice endowments following pastoral reorganisation. The capital can be used for the purchase of Glebe or benefice property though the

## NOTES TO THE ACCOUNTS

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income can be utilised for stipend purposes. The DSF capital account is disclosed as an expendable endowment in these financial statements.

**Stipends & Ordinands Permanent Endowment:** The Stipends & Ordinands Permanent Endowment Fund represents the accumulation of a number of donations given over a number of years towards the support of Stipendiary Ministry and Ordinands in training and their families.

**DBE Property Restricted Fund:** The DBE Property Restricted fund relates to the proceeds of sale of redundant school sites and is used for the benefit of church schools in the Diocese.

**DBF Property Fund:** The DBF Property Restricted fund represents the accumulated value of Glebe Houses and owned by the DBF.

**Parsonage Building Expendable Endowment Fund:** The Parsonage Building Fund represents resources held for the provision of benefice houses in the diocese. It is represented by the collective value of benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in incumbents for the time being of the benefice concerned, the Board is obliged to maintain them to ensure that there are sufficient houses for the pastoral structure of the diocese and it receives the sale proceeds of benefice houses surplus to requirements into its Stipends Fund Capital Account or Pastoral Account. The major capital expenditure incurred by the Board is the purchase of new or replacement parsonage houses. If there is insufficient funding for the same held in the parsonage building fund, the balance comes from the Stipends Fund Capital Account or the Diocesan Pastoral Account. The Parsonage Building Fund has been included as an expendable endowment fund in these financial statements.

NOTES TO THE ACCOUNTS

20. Accumulated Funds (continued)

Current financial year	General	Specific Restricted	DBF Property Fund	DBE Property Restricted	DSF Capital Expendable Endowment	Parsonage Building Expendable Endowment	Stipends & Ordinands Permanent Endowment	Total
	£	£	£	£	£	£	£	£
<b>Movement in Year:</b>								
Total Funds 2022	9,682,393	9,503	5,364,514	1,000	765,457	32,104,466	955,076	48,882,409
Incoming Resources	11,903,222	2,372,971		-	-	-	-	14,276,193
Outgoing Resources	(12,225,315)	(2,075,920)		-		-	-	(14,301,235)
Gains/losses	294,878	-	-	-	-	-	-	294,878
Transfers	174,000		(174,000)				-	-
Total Funds 2023	9,829,178	306,554	5,190,514	1,000	765,457	32,104,466	955,076	49,152,245
<b>Represented by:</b>								
<b>Tangible Fixed Assets:</b>	790,532	-	5,190,514	-	765,457	32,104,466	-	38,850,969
DBF Houses & Glebe	703,840	-	1,894,514	-	765,457	-	-	3,363,811
DBF Houses VLL	85,001	-	-	-	-	-	-	85,001
Parsonages & TV Glebe	-	-	3,296,000	-	-	32,104,466	-	35,400,466
Furniture & Fittings	1,691	-	-	-	-	-	-	1,691
<b>Investments:</b>	9,148,096	-	-	-	-	-	955,076	10,103,172
CCLA	3,265,626	-	-	-	-	-	955,076	4,220,702
Investment Property	5,882,458	-	-	-	-	-	-	5,882,458
DBE Services Ltd	12	-	-	-	-	-	-	12
<b>Net Current liabilities:</b>	475,550	306,554	-	1,600	-	-	-	783,704
Debtors	1,335,343		-	1,600	-	-	-	1,336,943
Bank and Cash (net of overdraft)	3,497,924	306,554						3,804,478
Sundry Creditors & Accruals	(4,357,717)	-	-	-	-	-	-	(4,357,717)
<b>Long term liabilities:</b>	(585,000)	-	-	(600)	-	-	-	(585,600)
Loans from Church Commissioners	(85,000)	-	-	-	-	-	-	(85,000)
Loans from CCLA	(500,000)	-	-	-	-	-	-	(500,000)
Loans from CBF	-	-	-	(600)	-	-	-	(600)
Pension deficit funding contribution:	-	-		-	-	-	-	-
	9,829,178	306,554	5,190,514	1,000	765,457	32,104,466	955,076	49,152,245
<b>Analysis of Reserves:</b>								
<b>General Funds</b>	9,829,178	-	-	-	-	-	-	9,829,178
<b>Restricted Funds</b>	-	306,554	5,190,514	1,000	-	-	-	5,498,068
<b>Endowment Funds</b>	-	-	-	-	765,457	32,104,466	955,076	33,824,999
	9,829,178	306,554	5,190,514	1,000	765,457	32,104,466	955,076	49,152,245

**Fund Transfer**

The transfer from the DBF Property Fund to the general fund relates to the sale of a property held in the DBF Property Fund and the associated value therefore released to the general fund.



NOTES TO THE ACCOUNTS

20. Accumulated Funds (continued)

Prior financial year	General	Specific Restricted	DBF Property Fund	DBE Property Restricted	DSF Capital Expendable Endowment	Parsonage Building Expendable Endowment	Stipends & Ordinands Permanent Endowment	Total
	£	£	£	£	£	£	£	£
<b>Movement in Year:</b>								
Total Funds 2021	9,225,690	382,584	5,218,514	1,000	591,457	32,383,992	955,076	48,758,313
Incoming Resources	13,654,532	1,739,363		-	-	-	-	15,393,895
Outgoing Resources	(12,613,581)	(2,112,444)	-			-	-	(14,726,025)
Gains/losses	(543,774)	-	-	-	-	-	-	(543,774)
Transfers (see note below)	(40,474)		146,000		174,000	(279,526)	-	-
Total Funds 2022	9,682,393	9,503	5,364,514	1,000	765,457	32,104,466	955,076	48,882,409
<b>Represented by:</b>								
<b>Tangible Fixed Assets:</b>	795,456	-	5,364,514	-	765,457	32,104,466	-	39,029,893
DBF Houses & Glebe	703,840	-	1,894,514	-	765,457	-	-	3,363,811
DBF Houses VLL	85,001	-	-	-	-	-	-	85,001
Parsonages & TV Glebe	-	-	3,470,000	-	-	32,104,466	-	35,574,466
Furniture & Fittings	6,615	-	-	-	-	-	-	6,615
<b>Investments:</b>	8,853,218	-	-	-	-	-	955,076	9,808,294
CCLA	2,970,748	-	-	-	-	-	955,076	3,925,824
Investment Property	5,882,458	-	-	-	-	-	-	5,882,458
DBE Services Ltd	12	-	-	-	-	-	-	12
<b>Net Current liabilities:</b>	618,719	9,503	-	1,600	-	-	-	629,822
Debtors	898,777	-	-	1,600	-	-	-	900,377
Bank and Cash (net of overdraft)	4,169,780	9,503	-	-	-	-	-	4,179,283
Sundry Creditors & Accruals	(4,449,838)	-	-	-	-	-	-	(4,449,838)
<b>Long term liabilities:</b>	(585,000)	-	-	(600)	-	-	-	(585,600)
Loans from Church Commissioners	(85,000)	-	-	-	-	-	-	(85,000)
Loans from CCLA	(500,000)	-	-	-	-	-	-	(500,000)
Loans from CBF	-	-	-	(600)	-	-	-	(600)
Pension deficit funding contributi	-	-	-	-	-	-	-	-
	9,682,393	9,503	5,364,514	1,000	765,457	32,104,466	955,076	48,882,409

Analysis of Reserves:

<b>General Funds (including</b>	9,682,393	-	-	-	-	-	-	9,682,393
<b>Restricted Funds</b>	-	9,503	5,364,514	1,000	-	-	-	5,375,017
<b>Endowment Funds</b>	-	-	-	-	765,457	32,104,466	955,076	33,824,999
	9,682,393	9,503	5,364,514	1,000	765,457	32,104,466	955,076	48,882,409

Fund Transfers

The transfer from general fund to the DBF property fund was necessary to acknowledge the reduction in the liability for deficit funding contributions which arose from the completion of a revised actuarial valuation of the Church of England Funded Pension Scheme (note 17) and the part settlement of earlier existing pension obligations.

**21. Related Party transactions**

Details of transactions with the main related parties of the Diocese are given in the appropriate

**22. Post Balance Sheet Events**

There were no significant post balance sheet events to report.